

CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

FOURTH SESSION—TWENTY-EIGHTH PARLIAMENT

21 Elizabeth II

VOLUME IV, 1972

COMPRISING THE PERIOD FROM THE EIGHTH DAY OF JUNE, 1972,
TO THE 1st DAY OF SEPTEMBER, 1972, INCLUSIVE

INDEX ISSUED IN A SEPARATE VOLUME

Published under the authority of the Speaker of the House of Commons by the Queen's Printer for Canada

Available from Information Canada, Ottawa, Canada

25319—1½

HOUSE OF COMMONS

Thursday, June 8, 1972

The House met at 2 p.m.

ROUTINE PROCEEDINGS

PUBLIC ACCOUNTS

Second report of Standing Committee on Public Accounts—Mr. Hales.

[*Editor's Note: For text of above report, see today's Votes and Proceedings.*]

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POLLUTION

STATEMENT ON CHERRY POINT OIL SPILL AND REPRESENTATIONS TO UNITED STATES GOVERNMENT ARISING THEREFROM

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, on Sunday, June 4, the tanker *World Bond* discharged approximately 12,000 gallons of crude oil into the sea while engaged in unloading operations at the Atlantic Richfield Refinery at Cherry Point, which is just south of the Canada-United States boundary in the State of Washington. Some of this oil quickly spread into Canadian waters.

The incident at Cherry Point is a stark reminder of what we have stated on many occasions: that far more serious spills will inevitably take place on other occasions if oil is moved by tanker through the Strait of Juan de Fuca. It demonstrates that in the event of a spill on the United States side, damage will almost certainly be suffered in Canada, and this damage could be severe. Even the small quantity of oil which escaped on this occasion moved rapidly northward across the boundary and collected on some five miles of one of the finest beaches of the area.

We have, of course, registered with the United States Canada's grave concern about this ominous incident. On instructions, our embassy yesterday emphasized to the State Department that the incident confirmed our anxieties over the threat to the ecology and resources of this inland marine area from oil tankers. The embassy made clear that the Canadian government expects full and prompt compensation for all damages suffered in Canada, as well as full clean-up costs, to be paid by those responsible. The embassy restated our broader concerns about the hazards which will arise from the movement by tanker of large quantities of oil into the Cherry Point refineries. We have made repeated representations to the United States government about the proposed increase in oil tanker traffic into this area, and indeed we raised this matter with President Nixon when he visited Canada in mid-April.

We proposed to President Nixon that the International Joint Commission should be requested by the two governments to conduct a thorough investigation of the hazards of marine transport of oil into this area. We have since made specific proposals for this investigation, and in the light of this recent incident our ambassador in Washington is pressing for an early and positive response from the United States government.

• (1410)

We appreciate that this particular spill was small in comparison with the magnitude of predicted spills, and that the refinery and authorities concerned on both sides took prompt action to contain the spill and minimize the damage. Consequently, the damage to Canadian waters and shoreline was less than might have otherwise resulted. We appreciate also that Atlantic Richfield Corporation has apparently recognized its obligation to meet the cost of the clean-up operations. However, the government wishes to obtain firm assurances that full compensation for all damages, as well as the cost of clean-up operations, will be paid by those legally responsible. The government is reserving all its rights in this matter and is examining all the legal options which may be available to protect Canadian interests.

We are especially concerned to ensure observance of the principle established in the 1938 Trail smelter arbitration between Canada and the United States. This has established that one country may not permit the use of its territory in such a manner as to cause injury to the territory of another and shall be responsible to pay compensation for any injury so suffered. Canada accepted this responsibility in the Trail smelter case and we would expect that the same principle would be implemented in the present situation. Indeed, this principle has already received acceptance by a considerable number of states and hopefully it will be adopted at the Stockholm conference as a fundamental rule of international environmental law.

However, even the best compensation arrangements cannot be a substitute for effective preventive measures. We shall, therefore, continue to press vigorously for measures in respect of the Juan de Fuca Strait and Puget Sound areas which will avoid the danger of spills of oil that would cause damage to Canada's waters and shoreline.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, it is somewhat reassuring, I suppose, to find that the Secretary of State for External Affairs has awoke several days after the incident at Cherry Point and has at least made the government of the United States aware of the views and concern of the government of Canada in

connection with this spill. I assume that his statement was not ready in time for him to follow the usual courtesy of making copies available to the opposition. I do not know just what provoked this statement at this time.

As the minister has indicated, while compensation is important it is not the most important question. What the country really wants to know is how the government of Canada intends to achieve joint control over what may happen in the waters off that part of Canada and the adjoining waters of the United States.

I do not wish to be partisan in replying to a statement on motions or to provoke any kind of controversy, but I do say to the Secretary of State for External Affairs and to the Prime Minister, first of all, that the government took an interest in this problem very late in the day and that the planning of the Alyeska route was very far advanced before the government showed any interest or concern. It is only within recent times that the government of Canada has taken any direct position. Second, the government of Canada has been tardy in pursuing its investigation of any route that would be an alternative to the coastal route for transporting Alaska oil. It moved very late in the day and even now it is not in a position to know what it might do in that connection.

I simply say that, while it is all very well for the Secretary of State for External Affairs to make a statement in the House, while it is all very well for him to tell us that our ambassador in Washington is pressing this matter, it seems to me, in view of the importance of the subject and the dangers to which the minister himself has referred, that this matter should be pursued at the highest level between the government of Canada and the government of the United States. The people of Canada will be satisfied with nothing less.

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, as the member for the area affected by what has happened at Cherry Point I have a particular interest in speaking on this matter. First of all, I want to thank the minister for his statement. It is true that it outlines what the government has done rather than what it has not done. In my view the government could have and should have done a good deal more than it did to stop what has happened.

I think we should understand that as long as ships carry Alaska oil along the British Columbia coast to the refinery at Cherry Point, which is about 15 or 16 miles from my riding, as long as that plan continues and as long as that refinery exists for the purpose of refining that oil, we have in effect an ecological time bomb within a few miles of our shores. It is true that we should take protective measures against what has happened, and in my view the protective measures taken by the Canadian government were insufficient. After the spill took place, during the night there were 200 people with bales of hay trying to keep the oil off the beaches at Cherry Point and White Rock. With what was already known as to the likely effects if such a spill should take place, surely the government could have been in a better position to protect our people. In my opinion the contingency measures were not effective and were not properly prepared. What the government has said is all right as far as it goes, but the measures which the government is taking do not go far enough.

[Mr. Stanfield.]

I think we have to realize that what the Americans are planning to do with regard to shipping oil along the British Columbia coast constitutes in effect an unfriendly act by one nation against another. We have to take that position on our own behalf and also on behalf of the Americans in the adjacent Pacific coast area. We are in fact faced with a most basic and serious situation involving pollution of the ecology in which tragedies and disasters far greater than this small spill will inevitably occur. The government's own research has established that over a period of every three or four years there is bound to be a major oil spill if these giant tankers are allowed to sail down the coast.

I draw the attention of the government to a report issued today through the office of the Minister of Transport on a study prepared by Queen's University in regard to the feasibility of transporting Alaska oil by railway from the north to the south. According to the study, it is feasible to build a railway from the north and ship over that line at least 200 million barrels of oil in a comparable period as opposed to shipment by water.

I cannot emphasize too much that we in this party, and the people of British Columbia, I am sure, regardless of their party affiliation, look to the government to take stronger and tougher measures than they have taken and to point out to the Americans, many of whom will agree with us, that the planned route for the shipment of Alaska oil will result in the degradation of our coast.

• (1420)

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, first we deeply regret—and we will never say it too often—that when the minister makes statements in the House, he informs hon. members only a few minutes ahead of time.

As to the content of his statement, it is nothing more than a stuttering which could not in any way solve the problem of pollution and protection of the environment in Canada.

The minister announced that a certain compensation would be paid, but that is a matter of very little importance as compared with the whole problem. It is again a kind of band aid treatment which will definitely not ease the pain. All that question can boil down to the nature of our relationship with our neighbour, the United States. The Canadian government has always had a shy and hesitant stand by always placing itself at the mercy of the United States as far as the protection of the environment and the fight against pollution in Canada are concerned.

The subject of particular concern to the House today, specifically the shipping of oil along our seacoast, is part of this problem.

We are led to believe that our ambassador in Washington is exerting pressures, but the problem still exists in Canada, and the minister is stuttering something or other about this problem instead of speaking up.

We urge the government to speak loud and clear to the Americans and suggest to them that, while they want to protect their own environment, their country and resources in order to develop them, we too, as Canadians, are proud of our country, and we shall take the necessary

steps to protect our environment and improve our living conditions.

* * *

[*English*]

AGRICULTURE

ANNOUNCEMENT OF PROGRAM TO REDUCE EGG SURPLUS

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I am pleased to be able to announce that negotiations and discussions have been successfully concluded with the provinces and producer groups and that a program designed to adjust egg production to market requirements for Canada has been developed.

As hon. members are aware, the government has been concerned that any assistance it might put into position should be of such a nature and should be coupled with such provincial programs as would bring continuing stability to the industry. I might say that we are particularly concerned that we avoid doing those things that might be counter-productive over a long period of time.

A program has been designed that will provide assistance on a sliding scale to encourage maximum removal of surplus birds within the shortest possible time. Under this formula, if the target is reached within six weeks farmers will receive approximately 90 cents per bird marketed. If the target takes eight weeks to reach, the payment would be about 75 cents per bird.

If the program falls short of the one million bird target the assistance will be less. For example, if only 500,000 extra birds are taken out of the flocks during the eight-week period, the subsidy will be about 45 cents per bird.

The program will be effective from June 5.

This program is designed to stimulate rapid adjustment in fowl numbers thus providing indirect and immediate benefits through price increases to those producers and areas that do not need to adjust fowl holdings while at the same time providing direct assistance to those that need to make adjustments. To receive assistance under the program producers will require proof of sale to a registered poultry processing plant or a recognized certificate of disposal.

Full details of the program, including the method of claiming, will be sent to the industry immediately. In the meantime I would advise that producers should retain all receipts showing the disposition of fowl removed in the period.

Mr. R. E. McKinley (Huron): Mr. Speaker, the statement that has just been made by the Minister of Agriculture (Mr. Olson) is in effect a fowl buying program, although he did not wish to call it that. Another fowl buying program was announced last October 29—I have that statement here, Mr. Speaker—which was to be carried out over an eight-week period. So there is a familiar ring when in the present statement the minister says that this program will be in effect for an eight-week period. Following the earlier program I asked the minister the following question on March 16, 1972, as recorded on page 889 of *Hansard:*

Surplus Egg Reduction Program

With regard to the fowl buying program announced by the government last year under which assistance was going to be given to producers, how much money was paid to producers under that program?

The minister's answer was:

None, Mr. Speaker.

Most of us know of the terrible situation in the egg-producing industry in Canada today. Over 202,000 30-dozen cases a week are being produced. That is about 10,000 or 15,000 too many, and there has to be a cutback in order that egg producers can make a decent living in this country. This situation has gone on too long.

I am happy to see that the federal government and the Minister of Agriculture have negotiated on a little better terms with the egg producers and the provinces than they have with the provinces in regard to the small farms development program which we heard about in committee this morning from some of the provinces. I hope the minister has listened to better advice in working out the details of this program than he did on the previous one and that the program will do some good. I do not know whether the minister is aware of the normal laying period of a hen, but I think he should suggest that all hens that have been in production for ten months or more should be marketed through this program. That might be of some assistance. More direction has to come from the minister and he should listen to people who know what they are talking about.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, it would have been helpful if the Minister of Agriculture (Mr. Olson) had given us more information. We know that negotiations have been going on between the provinces and the federal Department of Agriculture to work out a program of egg marketing under Bill C-176 which was passed by the House a year ago. One question that was seriously raised in committee at that time was whether sufficient information would be provided to the producer and indeed to Parliament when national marketing programs got under way. I suggest to the minister and to the House that the information that has been given to us at this time is sketchy, to say the least.

For instance, in addition to the fowl slaughtering program, which can be only one facet of a total approach, what is going to be done about the import of eggs from other countries? The minister referred to supply management being achieved between the provinces. If this is the case, what is going to be done about imports? What is the policy? No information is given. What is the actual division between the provinces? We do not have that information. We have not been told what the formula is for distributing the money. If fewer birds are killed the price per bird goes down. One area may have fulfilled its obligation and another area that has not will suffer. There are too many unanswered questions. The minister may have the answers, and I would be pleased if he would provide them to the House at some future time.

Surplus Egg Reduction Program

• (1430)

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, the minister began his statement with the following paragraph:

I am pleased to be able to announce that negotiations and discussions have been successfully concluded with the provinces—

That means an agreement is still possible. I continue to quote:

—and producer groups and that a program designed to adjust egg production to market requirements has been developed.

Now, Mr. Speaker, I imagine that the subsidy mentioned by the minister will be added to the amount received when the fowls are killed. I fear that this will be a double-edged knife considering the short delay specified. In fact, if the objective is reached in less than six weeks, I foresee the danger of having a market over-supplied with fowls and, consequently, a drop in prices which are already very low.

We read recently in a farm weekly that in the week of May 31 producers received 12 cents a pound for fowls of 7 pounds or more, 10 cents for 6-pounders, 7 cents for 5-pounders and 6 cents for fowls of 5 pounds or less. Such prices are very low. So, if the market becomes suddenly overstocked, I am afraid prices will drop and grants paid by the Department of Agriculture will accordingly lose their value.

Egg producers have been experiencing great difficulties for a very long time and it should be pointed out to the House that even in January 1972 the amount paid to them averaged 15 cents a dozen, while the production cost ranged from 30 to 32 cents. This is an interesting problem which should be considered.

If, according to the announcement made by the Minister of Agriculture (Mr. Olson), the proposed means are such that they will make it possible to reach the objective, that is the establishment of a long term policy to stabilize the situation and to give a certain degree of satisfaction to egg producers, all the better. But right now, the situation is distressing.

Mr. Speaker, according to the price list that we have been supplied with, producers received 26 cents for Grade A eggs during the week of May 24 and 20 cents during the week of May 31. These losses are extremely high and there is real danger that many producers will very quickly be moving towards bankruptcy.

If we really have surpluses in Canada—I would not know if it is true or not, but someone must know it—it means that we have a great production capacity. On the other hand if there are people who don't have any surpluses and are hungry, we should send them our surpluses. Such a gesture would enable some human beings to consume them and satisfy an essential need.

Finally, Mr. Speaker, I would like to say that one day at the Committee on Agriculture I was interested to hear a good Liberal member made a statement on the planning, the orientation given to agriculture by some economists who, after having tried for 10 years, admitted that their recommendations and plannning had failed. Yet they do not give us any alternate solutions.

[Mr. Gleave.]

We have visited in Canada big egg producers which should be doing well. However, there are proofs big producers have difficulties; production is not always efficient enough to allow benefits when the production cost is higher than the sale price. What we need is a miracle and I do not think it is possible these days.

* * *

[*English*]

POLLUTION

CHERRY POINT OIL SPILL—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Jerry Pringle (Fraser Valley East): Mr. Speaker, under Standing Order 43 I wish to request the unanimous consent of the House to move the following motion:

That in the light of the damage in Canada and the United States arising from the recent oil spill at the Cherry Point refinery this House support the urgency of a reference to the International Joint Commission of the environmental consequences of the movement of oil in the narrow waters of the Straits of Juan de Fuca, Georgia Strait, and Puget Sound both now and in the future and of the measures necessary to minimize the hazards, and requests the Secretary of State for External Affairs to immediately convey the terms of this motion to the government of the United States.

Mr. Speaker: This motion is proposed to the House under the terms of Standing Order 43 and requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Bell: Mr. Speaker, on a point of order, since the hon. member for Egmont was the first to move a motion on this matter three days ago, we naturally will support this motion wholeheartedly.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: This motion by the hon. member for Fraser Valley East shows that there is at least one Liberal who knows something must be done.

Mr. Speaker: Will the hon. member kindly indicate who the seconder is?

Mr. Pringle: The hon. member for Toronto-Lakeshore (Mr. Robinson), Mr. Speaker.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: If there is unanimity, the motion will be put. There appears to be unanimity.

Mr. Lewis: Mr. Speaker—

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

Mr. Lewis: Yes, Mr. Speaker, I rise on the same point of order that the hon. member who spoke before me raised. Not only the hon. member for Egmont—

Some hon. Members: Oh, oh!

Mr. Lewis: Just hold on for a moment—but also two members of my party moved motions under Standing Order 43 which the Liberals of this House did not permit to come before the House.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Lewis: Therefore, Mr. Speaker, I ought to inform you and the government House leader that, so far as I am concerned, this motion is debatable and will be debated.

An hon. Member: Good.

Mr. Speaker: Order, please. Of course all motions are debatable. The only leave the hon. member is seeking is leave for dispensation from the usual notice; if no notice is required under the terms of Standing Order 43, because of the unanimous consent granted by the House the motion will be put. However, I think hon. members ought to keep in mind that this is a supply day, and it has been agreed that the party to my extreme left, which is not necessarily the party to the extreme left in this House—

Some hon. Members: Hear, hear!

Mr. Speaker: —shall move a motion which is to be debated later today. Perhaps after the motion has been put, and because there appears to be unanimous consent, there might be consultation between the party representatives to try to clarify the situation so that the party which has the responsibility for moving the supply motion today will be treated fairly. All this having been said, I will put the motion because there has been unanimous consent.

Mr. Lewis: Mr. Speaker, on the same point of order, I am not at all anxious to interfere with the motion now on the order paper with respect to this supply day, but I want to make it clear that the Liberals cannot get away with the kind of partisanship they are trying to get away with.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please.

Mr. Lewis: Mr. Speaker, I have not completed my point of order. Could I have Your Honour's indulgence—

Mr. Speaker: Order, please. Essentially the hon. member, is repeating what he said a moment ago. The matter is clear to me. I inquired whether there was unanimous consent, and I am prepared to put the motion.

Mr. Lewis: Mr. Speaker, the additional point I want to make is that if your words of advice, which I suggest with respect are very fair, are to be adopted, then your putting the motion now does not mean that either the motion will be passed without debate or that the debate is to follow immediately upon your putting the motion. That was the point.

Oil Pollution

Mr. Speaker: Order, please. The terms of the Standing Order and the rules are very clear. There must be unanimous consent for the motion to be put. There is unanimous consent for the motion to be put. Of course, any motion is subject to debate, and if hon. members want to debate it all day that is up to them. I will put the motion. Mr. Pringle, seconded by Mr. Robinson, moves:

That in the light of the damage in Canada and the United States arising from the recent oil spill at the Cherry Point refinery this House support the urgency of a reference to the International Joint Commission of the environmental consequences of the movement of oil in the narrow waters of the Straits of Juan de Fuca, Georgia Strait, and Puget Sound both now and in the future and of the measures necessary to minimize the hazards, and requests the Secretary of State for External Affairs to immediately convey the terms of this motion to the government of the United States.

The hon. member for Fraser Valley East.

• (1440)

Mr. Nowlan: Mr. Speaker, I rise on a point of order. I have been in the House this week and I have heard motions similar in wording and almost identical in content proposed by at least one or two other members. I am asking Your Honour for some direction.

I thought there was a rule of the House that when a motion is put and disposed of it cannot be reactivated or resurrected during the same session. Is this not an attempt to bring in through the back door something that could not be brought in through the front? If that is allowed, members who are asleep at the switch day in and day out will be able to rise on the same subject matter and utilize and prostitute the same Standing Order just to show that they are half awake.

If we do not invoke the longstanding procedure of the House that when a motion has been put, even though there was not unanimous consent, the matter has in effect been disposed of for that session, the number of times that hon. members will move spurious motions will proliferate. Even though this motion has a lot in favour of it, the motions of other members earlier in the week said much more.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member knows the rules. When there has been a debate on a matter and a decision has been taken by the House, the rules are that the matter should not be brought before the House a second time for consideration during the same session. Of course, when there is a denial of unanimous consent the matter cannot be said to have come before the House at all.

I bring to the attention of hon. members that the rules apply not only to the fact that a matter is debated in the House but to the fact that a decision is taken. If a decision is taken, if a vote is taken on a motion, the Standing Orders and the practices of the House are clear. The matter cannot come up for discussion a second time. At that time, of course, the point taken by the hon. member for Annapolis Valley would be well taken and would have to be taken into account.

Mr. Nowlan: I appreciate Your Honour's ruling to a point. This is a new Standing Order in this Parliament, and, while I have not got the Standing Order before me, I understand the wording to be "disposed of the matter". Surely when this House refuses to give unanimous consent to a similar motion two or three days or two or three weeks before, that is a form of disposition of the matter.

Mr. Speaker: Order, please. This Standing Order is 100 years old. It is not a new Standing Order.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I suggest that the House accept the proposal of Your Honour, namely, that the debate on this motion stand until representatives of the four parties have met and arranged a time when it might be debated. We might find some time later this evening or tomorrow. The House has agreed that the motion be put. The House would like to debate it. Surely we can come to an agreement when that might be done.

If necessary, I would be prepared to move that the debate be adjourned. The difficulty with that is the motion would then be put under government orders. I do not want to do that unless we have an assurance from the government House leader that the order will be called. I think the most useful thing to do at this moment is for the House to agree to let the motion stand until the House leaders have met and discussed a time when it might be debated.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, the importance of the matter is obvious, and we support the proposal you have made.

As we are the hon. members who are mainly concerned today, this being an allotted day for the study of supplies for the period ending June 30, 1972, and as a motion has already been put on the order paper under the name of the hon. member for Kamouraska (Mr. Dionne), it seems to me that we cannot now start a debate on another subject. Taking the previous agreement into consideration, and unless the various parties now agree to hold an important debate at a time that is agreeable to all four parties, it seems to me priority should be given to the day allotted the opposition and that the debate held until now has unfortunately trespassed on the time that should be devoted to the important question brought up today.

[*English*]

Mr. Speaker: The point again taken by the hon. member for Lotbinière makes sense to the Chair. Obviously we might get into a difficult situation if we do not by agreement give priority to the debate which has been set aside under a supply motion. That is why I took the opportunity to suggest this originally. I hope that some agreement can be reached between the House leaders as to when this debate might be held. Perhaps we might hear from the government House leader on this point.

Mr. MacEachen: Mr. Speaker, I agree 100 per cent with the suggestion that the normal supply day ought to go ahead. It would be unfortunate to deprive the Social Credit party of their day in the House. I also agree that we ought to meet and in the meantime stand the motion until agreement is reached as to when it can be called. Perhaps we will have a discussion as to whether it will take place on a government day or an opposition day. I hope we can work that out.

Mr. Stanfield: Mr. Speaker, we are not here to play games. The government has agreed to the motion being put. The government acknowledges that it would not be fair to the Social Credit party to debate it today. The government has set aside tomorrow for a New Democratic Party supply motion. I do not think any of us ought to interfere with that day either. Since the government has agreed to the motion being put, the government House leader should very readily agree that the motion be debated on the next day for government business.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. There does not appear to be agreement as to what ought to be done. I suggest that the Chair has no alternative but to recognize the hon. member for Fraser Valley East. In the meantime, perhaps there might be consultations at the highest level to see whether we should adjourn this debate so that later this afternoon we might proceed with the consideration of the motion which stands in the name of the hon. member for Kamouraska.

Mr. Jerry Pringle (Fraser Valley East): Mr. Speaker, I would like to say at the outset that because of the urgency of the matter I felt that this motion should be made today.

Some hon. Members: Hear, hear!

Mr. Pringle: I concur with those in the House who have stated that we should endeavour to let the day's business go forward and not interfere with the motion of the Social Credit party. I assure Your Honour that I am fully prepared at this time to discuss my reasons for moving this motion. As the mover of the motion, I am prepared to lead off the debate.

Some hon. Members: Hear, hear!

Mr. Pringle: I am also prepared to accept a ruling that this matter be dealt with at a later date because I do not want to interfere in any way with the motion set down for debate on this opposition day. Therefore I will be brief.

• (1450)

I might say for the benefit of hon. members who are smirking behind me that my home is about three miles from this particular spill.

Mr. Bell: Where were you on Monday?

Mr. Pringle: In answer to the hon. gentleman, I should like to say that on Monday I landed by aeroplane at Abbotsford, British Columbia, and went fully into this problem. I should also like to point out that a senior cabinet minister from British Columbia accompanied me. We not only investigated the problem caused by this oil spill but also investigated the flood situation in British Columbia, something I have heard nothing about from the other side of the House.

Some hon. Members: Oh, oh!

Mr. Pringle: Again for the benefit of members heckling me, let me tell them that at this time the flood situation in British Columbia is well in hand.

An hon. Member: That is more than you can say for the political situation.

Mr. Pringle: The main problem in transporting oil, as I see it, is that there is very little possibility of our ever stopping transportation of oil on the high seas. Until such time as we are able to return to burning wood or coal in our ships, or build ships driven by nuclear energy, we will have to use oil. I am not in any way suggesting that we should support the transportation of oil from Alaska to Cherry Point. But I am suggesting that we endeavour to rationalize the problem and that we look squarely at what the problem is. In other words, I suggest we endeavour to beat pollution, not try to kill the industry in the hope that the pollution will go away.

We know that oil spills have taken place and they will continue to take place. I wish the problem were so easy that we just turn a key and say that there shall be no more oil transported on the high seas of the world. If we could do that we would never dump oil into our oceans. But the solution is not quite that simple, and for this reason. If, Mr. Speaker, you examine the oil spill situation at Cherry Point, as I have done, you will find that it is not a case of a collision occurring in the Straits of Juan de Fuca, or a boat colliding with a rock or obstruction, breaking up and spilling oil. It is a case of pure negligence in the inspection of the equipment used when unloading or loading this ship at Cherry Point. As long as there are humans involved we will have to tighten up our inspection procedures.

This is why a reference to the International Joint Commission is vital. The commission can study the problem and devise proper methods and, hopefully, solutions which they would then report back to the government. If this question is debated at a future date, I should like to deal at length with many other points relating to this subject, but my point today is there is no relationship between the transportation of oil from Alaska on the high seas and the particular oil spill from a boat at Cherry Point.

Consider the case of a boat taking on 2,000 or 3,000 thousand gallons of oil to fuel its burners in order to sail through the Straits of Juan de Fuca and down to San Francisco. If the man responsible for pumping in the oil happened to put the nozzle, instead of into the spout, accidently on one side of the spout and 3,000 gallons of oil were dumped into the sea, would this mean that we would seek to prevent the transportation of oil on the high seas? There are many aspects to this problem and I hope that the House of Commons will consider placing the problem where it belongs. Instead of dealing with it emotionally and without thought the day after a spill occurs, let us conduct a proper investigation so we are able to rationalize the problem.

It is all very well to say that the government has been taking its time, but the point is this. It is easy for members of the opposition to be irresponsible and to get up and shout, because they do not have to be responsible to the general public or for relations between the United States and Canada, an important relationship indeed. We must first make sure that we are on solid ground. Certainly I have heard very little from the opposition apart from the cry "we have oil on our beaches". Although this is a very sad situation and cannot in any way be belittled, there is a matter here that we must investigate. I therefore present my motion to the House and I hope that all members of the House of Commons will support it.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I now understand why the Secretary of State for External Affairs (Mr. Sharp) made his statement in the House today. Certainly there is no question about the seriousness of the matter raised by the hon. member for Fraser Valley East (Mr. Pringle).

Mr. Pepin: Has your research just arrived?

Mr. Stanfield: No; I have finally been able to obtain a copy of the motion. I imagine, that the hon. member who moved the motion did not expect it to be taken seriously and he had no copies. As I say, there is no question that this motion raises a very serious subject, and I am pleased that the members of the government have at least allowed one of their own supporters to get a motion before the House, though they blocked similar motions on two or three occasions earlier in the week.

As the hon. member pointed out, his motion does not strictly relate to transporting oil from Alaska, though I assume that the oil that will serve the Cherry Point refinery eventually will be transported along the tanker route from Alaska. If the hon. member for Fraser Valley East is intending to indicate that there is a spillage problem in Puget Sound and the Strait of Juan de Fuca, that is unquestionably the case. Clearly a good deal of oil is passing through those waters already, part of which goes to this particular refinery.

There is also no doubt at all about the importance of their being some joint control on the part of the government of the United States and the government of Canada over the movement of oil and other commodities in this area. I do not think anyone has to be a Solomon to say that. Neither do I think any member from British Columbia will dispute the importance of this kind of joint control being established. As it has been put to me, while we have adopted twentieth century technology in controlling the movement of aircraft, we are still using fifteenth, sixteenth or seventeenth century techniques at best in controlling the movement of vessels in and out of our ports. There is no doubt at all about the urgency of some rational plan or joint method of controlling the movement of vessels in these waters.

• (1500)

The Prime Minister (Mr. Trudeau) and the Secretary of State for External Affairs have stated also that the suggestion was made during President Nixon's visit that both governments should consider placing this matter in the hands of the International Joint Commission. That seems to me to be a rational approach. The International Joint Commission could take this matter a step forward with a view to fathering, if you like, a body with joint control over the movement of vessels in the Strait of Juan de Fuca, Georgia Strait and Puget Sound. As far as

Canada is concerned the question really is, how energetically is the government of Canada going to move? The Prime Minister told us he made this recommendation to President Nixon, but we do not know of anything in particular having been done about it since until today in the House when the Secretary of State for External Affairs said that our ambassador in Washington was pressing the matter there.

I am going to support the motion although I doubt very much whether we can refer this matter to the International Joint Commission. I assume that anything to be referred to that commission that relates to its jurisdiction must be accomplished by agreement between the two countries. Therefore, while I am going to support the motion on the basis of moral support for the necessity of urgent action being taken on the establishment of some effective control over the movement of vessels in those waters, in my opinion the passage of this motion today will be no substitute for vigorous, determined and persistent action by the government of Canada to achieve the purpose of the motion—the establishment of this kind of control in these waters.

The most charitable thing I can say to the hon. member for Fraser Valley East is that the motion or the substance of it is certainly very incomplete. We in this House do not want to rest the point with the simple passage of this motion to refer the matter to the International Joint Commission, because that in itself would probably accomplish nothing. As I understand it, what we in this House want to be associated with—at least I certainly do—is a motion that will lead to effective action being taken, a motion that will bring this government or encourage it hopefully to insist on action being taken to get agreement from the United States in respect of something effective being established.

I am not going to take more time in view of the original purpose in setting this day aside. I simply indicate that the matter is of the most profound importance. Anybody in his right mind must realize that some joint control has to be established. How anybody could forgive the laxity of this government in sitting around for years without making any serious effort to secure the establishment of a joint system of control over navigation in these waters is beyond understanding. The Prime Minister has now made a request to the President of the United States, but how anybody, particularly those on the west coast of Canada, could forgive this government for such laxity is beyond my comprehension.

Some hon. Members: Hear, hear!

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, the device that is being employed by the government makes me so angry that I do not know whether I will be able to make this speech without some strain against the limitation in the vocabulary I can use. Here we have a naked attempt on the part of the government, through a government member, to pour a lot of oil on the troubled waters of the Liberal government's sagging current popularity. It is a naked and belated attempt to make political capital out of West Coast ecological tragedy. It is interesting to note that the last time we sought a reference to the International Joint Commission was when the government was in some trouble over flooding of the Skagit Valley.

[Mr. Stanfield.]

An hon. Member: Which government?

Mr. Dinsdale: We haven't got much of a government so it is hard to recognize it.

Mr. Rose: My colleague, the hon. member for Fraser Valley East (Mr. Pringle), was critical of some of us and called us irresponsible and emotional because we had the audacity to raise this matter four days ago. He said, and I paraphrase him, that the government had to have time to think.

An hon. Member: They are slow thinkers.

Mr. Rose: In a matter of this importance, I suggest that if it takes the government four days to think we have reason to question the intelligence of the government.

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

Mr. Speaker: Order, please. I apologize to the hon. member for Fraser Valley West, but the hon. member for Fraser Valley East is rising on a point of order.

Mr. Pringle: Mr. Speaker, while I may have been paraphrased, I draw your attention to the fact that I never used the word "think". I realize that the hon. member's party has difficulty in that its members usually speak before they think. I usually investigate things—

Mr. Speaker: Order, please. That is not a point of order; that is debate.

Mr. Rose: Mr. Speaker, if after checking *Hansard* I find I have paraphrased the hon. member incorrectly, I will certainly be the first to apologize.

The hon. member for Fraser Valley East made a great deal of the fact that this oil spill was within three miles of his home. I do not understand how that could be as I always understood the hon. member for Fraser Valley East was from Chilliwack. How this oil spill could occur within three miles of Chilliwack I do not know, because it was obviously in the Straits of Juan de Fuca.

An hon. Member: He is walking on the waters.

Mr. Rose: Someone suggests he is walking on the waters. I suggest he has an international responsibility because his summer home happens to be located on the United States side of the gulf islands.

Some hon. Members: Shame!

Mr. Rose: If this motion is acceptable today as a matter of such urgency, I cannot understand why a similar motion was not acceptable three or four days ago unless it is because that motion emanated from the opposition side. People are disillusioned with the trickery and knavery of the political process.

Mr. Woolliams: And the skulduggery.

Mr. Rose: We know that about a year ago or more the government had a member who made much capital out of the Alaska tanker route issue. He is now the Liberal party leader in British Columbia. What did they do to the hon. member for Esquimalt-Saanich when he wanted to have his committee travel to the west coast to hold hearings? They repudiated him. Instead of sending his committee to British Colunbia they sent that member to British Columbia permanently.

• (1510)

Mr. Speaker, interest on this side of the House in this issue is not new. I happen to have here a list of questions and speeches directed to ministries by members of my party and other parties dating as far back as January 28, 1971. The litany of expressed concern about this problem runs through the whole period until the inevitability of the spill which occurred last weekend. Each time the government was approached on this matter it wrung its collective hands and shook its collective heads. When the Secretary of State for External Affairs was asked what he intended to do about Amchitka he suggested we pray. Is this what his advice is on oil spill prospects? The government's own appointee, Dr. McTaggart Cowan, as engineer is respect of the Chedabucto Bay tragedy involving the *Arrow* said it is not a matter of "if" there are to be oil spills as a result of the location of a refinery at Cherry Point but rather a matter of "when".

In that particular part of British Columbia the track record on sea mishaps runs at about 7 per cent per year. Last Thursday, I believe, when we were privileged to hear that old smoothie, the Minister of Transport (Mr. Jamieson), giving testimony before the Transport Committee on the estimates of the Ministry of Transport, he admitted that legally there was nothing Canada could do to protect itself against the transgressions in respect of the installation of this refinery in the United States. He admitted this.

After our experience with the Chedabucto Bay affair, in terms of clean-up contingency plans I am certain there could have been a little more preparatory effort beyond the provision of a couple of loads of baled hay. The hon. member for Surrey-White Rock (Mr. Mather) will have to petition the government once more to have the name of his riding changed to Black Rock if things like this keep up.

Something else Canadians may not be fully aware of—I am sure they may not be because the Minister of the Environment (Mr. Davis) was not aware of it when I asked him a question earlier last fall —is whether or not oil from Alaska is already being carried down British Columbia's inside passage to Seattle. When I asked him about this the Minister of the Environment said such was not the case. When I asked the same question of the Minister of Transport, I received a long detailed letter outlining how oil is in fact being barged through the inside passage between Vancouver Island and the mainland of British Columbia bound for Seattle. This kind of transportation and ecologically risky situation has been occurring for some years, and I think shows how much one hand of the government knows what the other hand is doing.

Last weekend's oil spill must serve as a great warning to all of us. It is a relatively modest leak although tragic enough in its consequences. The spill happened in the only really warm water or Mediterranean area which in the Pacific Northwest serves the thousands of people who live in the lower mainland of Vancouver. The ecological transgression in respect of Robert's Bank in the same area was bad enough but now the probable destruction of the recreational area and fishing industry of the Fraser Valley is too much. We must have a much more vigorous and determined government posture than we have seen so far. We debate today about a veritable squirt of oil. The amount of oil involved in the Chedabucto Bay *Arrow* oil spill I believe was around 10,000 tons. However, there are tankers carrying 250,000 tons of oil today and it is anticipated that those on the drawing boards will carry 500,000 tons.

What does the government intend to do about this? A couple of years ago when the Minister of Transport was introducing amendments to the Canada Shipping Act, after he had been repudiated by the oil companies at the Law of the Sea Conference at Geneva, said Canada would go it alone and that we would have the toughest and most rigorous laws of any nation. What has been done? Have we demanded structural changes in respect of ships calling at our ports? Have we refused to let dock those ships—those hulks and tubs mainly of Greek origin—which fly flags of convenience mainly out of Liberia, Panama and other permissive states? In the case of the *Arrow* it was admitted in the House that it was absolutely impossible to trace the ownership of that vessel and therefore to nail down the responsibility for damages. I am hoping that in the course of this debate, since it has been initiated by the government, we will hear a little more about what the government intends to do in future. I certainly hope it intends to do something because it is certain and clear that it has not done anything so far.

I believe I have made my point, Mr. Speaker. I should like in conclusion to suggest that we wish to support this motion. We would have liked to do so three days ago but were not given the opportunity because our motions were voted down. I am sorry the government found itself so threatened that it thought it was necessary to use this kind of device to bring this serious problem before the people of Canada.

• (1520)

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, the motion now before us is obviously important. It deals with pollution along the Pacific coast and emphasizes the lack of firm action from this government in this regard, except for lengthy high-flow statements.

Mr. Speaker, this motion is so important that we agreed, in the interest of the Canadian people, to hold a special immediate debate of about one hour on this matter. We forgot our own interest to consider that of Canadians. However, our own motion was important and today the co-operation and respect between parties has suffered a severe blow.

Mr. Speaker, our party is obviously deeply interested in safeguarding our environment as well as the living conditions of the Canadian people. We regret, as I said during the statement of the hon. Secretary of State for External

Division

Affairs (Mr. Sharp), that this government is satisfied with speeches and alleged discussion and never takes any action likely to really protect our environment.

Before resuming my seat, since all members from all parties know that we are really anxious to deal with the problem of land and water protection, I should like to say we did not appreciate very much the shady manoeuvring that was used today, at the outset of this day allotted to the business of supply for the period ending June 30.

Mr. Speaker, this is a severe blow to co-operation between parties, especially since there was no previous understanding or consultation, which we deplore.

Either it is due to bad faith on the part of some people or those people were so annoyed by the motion we are proposing today that they preferred botching the day set aside for opposition parties.

In any case, since hon. members were able to deal with the pollution problem, especially as regards oil transportation on the Pacific coast, I should like to move, seconded by the hon. member for Shefford (Mr. Rondeau):

That this House now proceed to the orders of the day.

[*English*]

Mr. Speaker: It is the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: All those in favour will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Call in the members.

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

• (1530)

(*Division No. 26*)

YEAS

Messrs:

Beaudoin
Dionne
Fortin
Gauthier
Godin
Lambert (Bellechasse)
Latulippe
Matte
Rodrigue
Rondeau
Tétrault—11.

NAYS

Messrs:

Alexander
Andras
Barrett
Basford
Béchard
Beer
Bell
Benjamin
Bigg
Blackburn
Blair
Blouin
Boulanger
Breau
Broadbent
Buchanan
Burton
Caccia
Cadieu
Cafik
Chrétien
Clermont
Coates
Cobbe
Corriveau
Côté (Longueuil)
Cullen
Cyr
Danforth
Danson
Deachman
Deakon
De Bané
Diefenbaker
Dinsdale
Drury
Dubé
Flemming
Forget
Foster
Francis
Gervais
Gilbert
Gillespie
Gleave
Goyer
Grills
Guay (St. Boniface)
Guilbault
Haidasz
Hales
Harding
Harkness
Hellyer
Hogarth
Horner
Howard (Okanagan Boundary)
Howe
Hymmen
Kaplan
Knight
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Korchinski
Laflamme
Laing (Vancouver South)
La Salle
LeBlanc (Rimouski)
Lefebvre
Lessard (Lac-Saint-Jean)
Lewis
L'Heureux
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
MacInnis (Mrs.)
Mackasey
McCleave
McGrath
McKinley
McQuaid
Mahoney
Major
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Mather
Mazankowski
Monteith
Moore
Morison
Muir
Munro
Murphy
Murta
Nesbitt
Nielsen
Nowlan
Nystrom
O'Connell
Olson
Orange
Osler
Paproski
Pelletier
Penner
Pepin
Perrault
Peters
Portelance
Pringle
Ricard
Richard
Richardson
Ritchie
Roberts
Robinson
Rochon
Rose
Roy (Laval)
Schumacher
Scott
Sharp
Skoberg
Skoreyko
Smerchanski
Southam
Stafford
Stanbury
Stanfield
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
Sulatycky
Sullivan
Thomas (Moncton)
Trudeau
Trudel
Turner (London East)

Messrs:

Valade	Whiting
Walker	Winch
Watson	Woolliams
Weatherhead	Yanakis—147.

• (1550)

Mr. Speaker: I declare the motion lost.

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, surely by voting for the continuation of this debate the vast majority of the members of this House have indicated their concern about the critical problem of oil pollution.

Some hon. Members: Oh, oh!

[*Translation*]

Mr. Rondeau: Mr. Speaker, I am rising on a question of privilege.

Mr. Speaker: Is the hon. member rising on a question of privilege?

Mr. Rondeau: Mr. Speaker, I give up.

[*English*]

Mr. Perrault: Mr. Speaker, we are particularly concerned about the matter of oil pollution on Canada's west coast.

Mr. Woolliams: I see a long slick in the hon. member's speech.

Mr. Perrault: Regardless of our party affiliations, all of us are aware of the enormous ecological and environmental damage which could be caused by an oil spill there.

Mr. Stanfield: Don't forget governmental pollution!

Mr. Perrault: Having said this, I think it is distressing to learn that some members of the opposition would seize on this issue in order to engage in partisan politics.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Perrault: If ever there has been an issue before Canada which required all-party unity, that issue is the fight against pollution.

Some hon. Members: Oh, oh!

Mr. Perrault: Mr. Speaker, what a contrast there is between the performance of the opposition today and the performance of government members on May 15. I am referring to page 2245 of *Hansard* and to the time when a member of the New Democratic Party moved the following motion:

> That this House herewith declares that the movement of oil by tanker along the coast of British Columbia from Valdez in Alaska to Cherry Point in Washington is inimical to Canadian interests, especially those of an environmental nature.
>
> And further, that this resolution be forthwith transmitted to the government of the United States of America in order that that government be apprised of the concern that the House of Commons of Canada has about the proposed movement of oil.

The members on this side of the House did not indulge in partisan political activity when that motion was presented.

Some hon. Members: Hear, hear!

Mr. Perrault: There was all party unity on the matter. There was no penny ante effort on the part of government members to discredit the effort of that opposition member. We voted for his resolution.

Some hon. Members: Oh, oh!

Mr. Perrault: The hon. member for Fraser Valley West (Mr. Rose) who had an unprecedented opportunity to bring forward rational arguments respecting oil pollution measures spent most of his time making a bitter, personal attack on the mover of the motion.

Some hon. Members: Shame!

Some hon. Members: Oh, oh!

Mr. Perrault: He did not seize the opportunity which was presented to advance useful, rational proposals. Having said that, Mr. Speaker, I must say that no nation has worked more earnestly to undertake useful initiatives for protecting the world environment than has Canada. And I do not think statements attacking members who speak on the matter of oil pollution and Canada's environmental reputation abroad are useful ones in this debate. As members know, the Minister of the Environment (Mr. Davis) is in Stockholm and is working with a world conference set up to fight pollution in all forms. The chairman of the conference is Mr. Maurice Strong, another Canadian.

The United Nations report entitled "Problems of the Human Environment" reads:

> Pollution of the sea is a continual threat to its future productivity. Although the International Convention for the Prevention of Pollution of the Sea by Oil has been in existence since 1954, oil pollution remains a major concern, and other forms of equally damaging pollution continue with little or no control.

There are no simple methods for preventing oil pollution either on Canada's west coast or east coast, or anywhere else in the world for that matter. The report continues:

> The control of pollution in the marine environment raises problems of a legal nature such as measures which states can take outside their territorial seas in self-protection against pollution liabilities arising from casualties involving discharge of oil or other pollutants, powers of surveillance by coastal states to implement measures for improving the safety of navigation and controlling maritime pollution.

The entire subject of pollution is being discussed at Stockholm at present and, again, Canada is providing a great measure of leadership at that world conference. With respect to the matter under discussion, the minister responsible for environmental matters in Canada, the hon. member for Capilano, was made aware immediately of the Cherry Point oil spill and of its movement into Canadian waters. As soon as this occurred, he had immediate discussions in Stockholm with Russell Train, chairman of the President's Council on Environmental Quality, and with William Ruckelshaus, administrator of the U.S. Environmental Protection Agency. He discussed

with them the question of reference to the International Joint Commission and he told his office here that he understood his views had been conveyed back to the United States. Some members of the International Joint Commission from both the United States and Canada are also in Stockholm at this time.

• (1600)

Opposition members who suggest that this government is not interested in the problem at Cherry Point and the oil pollution danger on the west coast of Canada should be made aware of the fact that not only has the recent incident been acted on immediately by the government of Canada but already, without any doubt at all, certain conversations have been undertaken in Stockholm between the responsible minister of the Canadian cabinet and representatives of the International Joint Commission from the United States.

There is grave concern by those who have seen the ecological disaster caused by oil pollution in areas such as the east coast about the possible effect of a major oil tanker disaster on the west coast. We are concerned that not only is more oil being moved by sea each year, but the size of oil tankers has also increased. The average tanker used during World War II had a capacity of 16,000 tons. By 1965 that average had risen to 27,000 tons, and a new tanker delivered in 1966 averaged 76,000 tons. A Japanese company has launched a 276,000-ton tanker. Other Japanese yards have orders for tankers as large as 312,000 tons. More than 60 tankers of 150 tons or more are on order throughout the word. Tankers of 500,000 to 800,000 tons are on the drawing board and those of more than one million tons are thought to be feasible. On the new 1,010-foot British tanker *Esso Mercia* two officers have been issued bicycles to help patrol the decks of the 166,890-ton vessel. If they build that million-ton tanker, undoubtedly they will be supplying the crew with automobiles to get around. I will now come to a more significant and serious point.

These supertankers require as much as 17 miles in which to come to a stop. Anyone who knows the coast of British Columbia and the navigational hazards there knows that the weather conditions, the dangerous shoals, the rock conditions, the reefs, the fog and all the other navigational problems make absolutely inevitable a major ecological disaster if oil is shipped down the coast from Valdez to Cherry Point. This is why there is virtually unanimous opposition in British Columbia to the shipping of oil by that means along Canada's west coast. The navigational problems down the west coast of Canada are bad enough, serious enough and difficult enough—but add to this the navigational chores in steering huge tankers through the Straits of Juan de Fuca and you have a situation that every expert report suggests will inevitably lead to an ecological disaster.

The size of the world tanker fleet itself is growing at a rate that rivals the growth in average size of new tankers. In 1965 it had increased to 3,500 and in 1968 it numbered 4,300 ships. In 1972 it numbers well over 5,000. At the present time nearly one ship out of every five in the world merchant fleet is engaged in transporting oil, and almost the entire fleet is powered by oil. Yet some people question why Canada is concerned about the possible movement of oil tankers of vast size down the west coast of Canada. It would be inconceivable that we would not be concerned about the extent of the danger. Significant oil spills have occurred worldwide. In the United States alone they have occurred with increasing frequency—180 in 1968; 192 in 1969; 61 to March 1, 1970, and a great many more in 1971. Those who suggest there is any fail-safe system to prevent oil spills along Canada's west coast simply have not been reading expert testimony; they do not know what they are talking about.

What should be done about this? First, members of all parties in this House of Commons, without partisan disputation, should continue their efforts to oppose the establishment of a U.S. tanker route from Valdez to Cherry Point. We should opt in favour of a pipeline to transport northern oil to Canada and to the continental United States. Second, we need improved facilities to ensure immediate and adequate action in the case of major oil spills. We have taken some action at the federal level to enable this country to fight serious oil spills when they occur. As well, in March, 1971, we passed an act to amend the Canada Shipping Act.

However, as a member from British Columbia I am not satisfied that we have done enough. I ask myself what would happen this evening if a 200,000 ton tanker broke up on the west coast of Vancouver Island. Do we have the facilities to do a proper clean up job? I think not.

Members of this House now have a certain number of opportunities to travel to all parts of Canada. I hope some will use their travel privileges to come to the west coast of Canada to see what concerns British Columbia members. I would like them to see the west coast dangers to navigation there which have established many ship "graveyards" up and down our coast and have led to the loss of hundreds of lives since British Columbia entered confederation and before then. The concern of British Columbians, regardless of whether they are Liberal, NDP, Social Credit or Conservative, must be seen to be believed.

We cannot allow the establishment of an oil tanker route along our west coast. Pressure must be exerted at every conceivable level. That is why the opposition received the unanimous consent of the House of Commons the other day. We wanted to add our names to the protest being forwarded to the United States at the congressional level. We need continuing action to persuade U.S. authorities to abandon any idea of shipping oil by tanker along the west coast. And we have to make it impossible for any substandard ships that are clearly marginal in construction to ply our coasts.

I was one of a group of Members of Parliament who visited Chedabucto Bay on the east coast where there was a relatively small tanker disaster. I saw, as did members of the opposition, the effect that one small tanker accident had on one of the most beautiful environments in this country. To this time, the cost of cleaning-up Chedabucto Bay has been assumed mostly by the Canadian government. To my knowledge the owners of that ship have yet to pay one cent.

An hon. Member: One million dollars!

Mr. Perrault: I may stand corrected. Perhaps we have now received some money. However, it has been difficult

to obtain the kind of financial recompense we should have received soon after the disaster occurred.

I was in New York when the tanker *Manhattan* returned from its supposedly successful Arctic voyage. When the *Manhattan* was put in dry dock, two huge holes were found in its storage tanks. Under normal conditions those tanks would have been loaded with oil. That voyage would have been an ecological disaster for the Arctic. One hole was so large you could drive a truck through it, yet many people hailed the trip of the *Manhattan* as a success. It is one of the largest tankers in existence today. It has very thick plates. However, it returned from this Arctic safari with two serious gashes in its hull. This would have been disastrous had the ship been conveying oil.

I shall not continue any longer. I know that other members, particularly from the west coast, want to speak on this issue. I appeal to all members of the House of Commons, and through them to the Canadian people, to recognize the ecological and environmental disaster facing the west coast of Canada if we fail to act. Any measure which is going to stop, halt or hinder the possibility of a tanker accident along Canada's west coast, indeed the east coast and any coast because we are all Canadians and all interested in this problem wherever it exists in Canada, deserves the support of Members of Parliament and the Canadian people.

Some hon. Members: Hear, hear!

Mr. Erik Nielsen (Yukon): Mr. Speaker, what a spectacle we have been treated to today; a government in disarray! The speech made by the hon. member for Burnaby-Seymour (Mr. Perrault) reeked of phoniness and hypocrisy. He appealed to this House to do something about the disaster on the west coast. He is a member of the government that is not doing anything about this problem. On the basis of a deal with the Social Credit party no doubt, the government today staged a play with the Secretary of State for External Affairs (Mr. Sharp) making a statement of which no copies were provided in advance. We now know the reason for that. This was immediately followed by a motion moved by the hon. member for Fraser Valley (Mr. Pringle). The same motion was made twice on Tuesday and once more on Wednesday.

• (1610)

Mr. Sharp: That is not so.

Mr. Nielsen: The minister says that is not so. Let me refer to *Hansard*, page 2879, June 6.

[*Translation*]

Mr. Fortin: Mr. Speaker, I am rising on a question of privilege.

Mr. Speaker: Order, please. The hon. member for Lotbinière is rising on a question of privilege.

[*Translation*]

Mr. Fortin: We, Creditistes, have been accused by the hon. member for Yukon (Mr. Nielsen) of plotting something in co-operation with the Liberal party in connection with this motion.

Mr. Speaker, I would like to set the record straight immediately and I ask the hon. member to withdraw his words because this accusation is utterly dishonest and I should even say a blow below the belt.

Mr. Speaker, everyone knows that the Creditistes are now the victims of people who abuse a stupid provision of our rules, namely Standing Order 43. It is also known that this is a misuse of our rules and perhaps Your Honour might allow me to guess what you think of it. We are the first victims of this ridiculous provision and we agreed that this motion be debated because of its urgency. We demanded that our motion be studied because it is important and included in the orders of the day.

Consequently, we cannot tolerate such language from the member for Yukon, or any member, accusing us of utterly ridiculous and alleged plots—

Mr. Rondeau: Dishonest.

Mr. Fortin: —and I respectfully request through Your Honour that this member withdraw his words immediately.

[*English*]

Mr. Nielsen: Mr. Speaker, I accept the hon. member's statement that there is no deal between the Liberal party and the Social Credit party. I am bound to do that under the rules of the House. But one can only speculate as to what goes on. If the hon. member opposite has something to say, then let him stand up and say it instead of interjecting cowardly from his seat.

The Secretary of State for External Affairs says that I am mistaken that two motions were made last Tuesday. As reported at page 2879 of *Hansard*, we find the hon. member for Egmont (Mr. MacDonald) rising under the terms of Standing Order 43 to move a motion in a case of urgent and pressing necessity. The subject matter had to do with the oil spill that occurred last Sunday at the ARCO oil refinery at Cherry Point, Washington, which he said is now being carried by the tides and currents into Canadian waters and polluting Canadian shores south of Vancouver. He requested unanimous consent to move as follows:

> That the Standing Committee on External Affairs and National Defence be empowered to examine and inquire into the oil spill at Cherry Point and the consequent infringement of Canadian sea and territorial sovereignty; and to relate its findings to studies on public hearings conducted on the west coast into the TAPS oil tanker route and oil transfer and refinery terminals; and to have power to travel from place to place both in Canada and elsewhere.

You will recall, Mr. Speaker, that on that occasion he drew the attention of the House to the fact that the standing committee was on the west coast at the time. It was the Liberals on the other side of the House who denied the hon. member for Egmont debate on a motion that now, suddenly on Thursday, is considered a matter of urgent and pressing public necessity.

Mr. Sharp: It is not the same motion at all, not the same substance.

Mr. Nielsen: Why is there not that same denial forthcoming from the other side today? The Secretary of State for External Affairs says that the substance of that

motion is not the same as the one now before us, but let me continue because that was not the only motion moved last Tuesday. As recorded at the same page of *Hansard*, the hon. member for Surrey-White Rock (Mr. Mather) moved the following motion:

(a) That this House approve immediate federal action to help clean up and protect the affected area; (b) to provide that no economic loss be suffered by the people of that area; and (c) that what has happened be drawn forcefully to the attention of the government of the United States as constituting a small sample of the inevitable ecological dangers and disasters that will follow the transportation of oil by tanker along our western coast.

Again, when unanimous consent was requested by the hon. member for Surrey-White Rock to put the motion, Liberals members denied the unanimous consent that was necessary. We do not stop there, Mr. Speaker. On Wednesday, June 7, a further motion was made by the hon. member for Kootenay West (Mr. Harding), who as reported at page 2924 of *Hansard* moved:

That a message be sent to the Standing Committee on External Affairs and National Defence requesting it to proceed forthwith to the west coast to carry out an investigation of the oil spill at Cherry Point and to report back to the House.

Again the same thing: the motion was not urgent and it was not of pressing public necessity at that time, at least to the Liberals.

Mr. Peters: There is another one just above that.

Mr. Nielsen: I am sorry, Mr. Speaker; it has been drawn to my attention that there is another motion, again moved by the hon. member for Surrey-White Rock, to the following effect:

That this House invite the U.S. Secretary of the Interior, Mr. Rogers Morton and the director of the U.S. National Environmental Control Program, Mr. William Richelshaus, to visit the afflicted area and to see, at first hand, a small sample of the inevitable desecration of the west coast which will result from the proposed shipment of Alaska oil by tankers to Cherry Point.

I have referred to four motions made on two successive days which the Liberal government, including the hon. member for Fraser Valley East, did not consider urgent. Then suddenly they do consider the motion urgent today. The hon. member for Burnaby-Seymour sheds crocodile tears and hurls charges across the House of political partisanship entering into this debate. Of what use is rule 43? We on this side of the House are denied unanimous consent to use rule 43 to bring a matter such as this repeatedly to the attention of the government. Yet is it for lack of partisanship that the government permits the hon. member for Fraser Valley East to bring his motion today? Or is it because of some deal that exists between the government and B.C. members as a whole?

I suggest that, as it is, rule 43 has become a farce. It is absolutely useless. The hon. member for Fraser Valley East moves this innocuous motion, following upon the heels of the statement made by the Secretary of State for External Affairs. The hon. member moves:

That in the light of the damage in Canada and the UNited States arising from the recent oil spill at the Cherry Point refinery this House support the urgency of a reference to the International Joint Commission of the environmental consequences of the movement of oil in the narrow waters of the Straits of Juan de Fuca, Georgia Strait, and Puget Sound both now and in the future and of the measures necessary to minimize the hazards, and requests the Secretary of State for External Affairs to immediately convey the terms of this motion to the government of the United States.

All of this has been said in the four previous motions, if they are taken collectively. All these urgings have been made to the Secretary of State for Extenal Affairs by members of the opposition. Indeed, the very substance of the motion by the hon. member for Fraser Valley East was contained in the statement of the Secretary of State for External Affairs made just a few minutes before the motion—yet hon. members on the other side speak about political partisanship!

• (1620)

Mr. Sharp: We want the support of the whole House to what I said.

Mr. Nielsen: It is sheer hypocrisy, and the minister knows that what happened today has reduced the proceedings of this House to a mere sham, a mere mockery.

Some hon. Members: Hear, hear!

Mr. Nielsen: That is why I say this is a government in disarray. If the truth were known, the government House leader had his own cleverness backfire on him. Obviously, there is not going to be a motion under Standing Order 43 accepted in this House unless the government House leader gives the green light, and no one is going to deny the probability or inevitability of such a motion being agreed to by the government before it is even put. The minister outsmarted himself, because he did not figure the Social Credit party would react in the way it did, by attempting to get us back to orders of the day. This government, in order to be consistent, had to vote against that motion though it dearly would have loved to get back to orders. The government found itself in a box.

Mr. Sharp: So did you.

Mr. Nielsen: At least we were consistent: we voted for the urgency of the subject matter of the debate, just as the government did and, incidentally, just as the Social Credit party did. For them to move a motion that would get back to orders of the day after having agreed with the urgency of the debate was just as inconsistent as what the government did. The government has embarrassed itself: it was caught up in its own cleverness in its attempt to manoeuvre and use this House for its own political purposes. That is exactly what it was doing because its B.C. members were on the hook. The government is making a caricature of this House.

Some hon. Members: Oh, oh!

Mr. Nielsen: Mr. Speaker, they laugh; the hon. member for New Westminster (Mr. Hogarth) laughs at this.

Mr. Hogarth: Coming from you, I laugh at it.

Mr. Nielsen: Let the hon. member laugh at this. Here we have a government that says it is doing everything possible about the oil spill on the west coast. It says it is being vigorous in making representations to the United States, yet one of its own B.C. members, the hon. member for

Fraser Valley East, found it necessary to move a motion urging the government to do more.

Mr. Sharp: To get the support of the House of Commons.

Mr. Nielsen: This was a piece of staged showmanship because the B.C. members were in trouble. The whole thing was set up to give them some favourable publicity in a province where their fortunes are going down rather rapidly.

Mr. Basford: Why don't you have a B.C. member speak on the matter? I suggest it is because you do not have any.

Mr. Woolliams: Wait until after the next election.

Some hon. Members: Oh, oh!

Mr. Nielsen: I want to tell hon. members opposite, in the event they have forgotten their geography, that I come from the most westerly city in Canada, so I have an interest in this too. I consider this matter serious. I have spoken many times before about the seriousness of these spills and of having a tanker route down the west coast, as has our leader.

Because there is no real substance in the motion that has been proposed, I move, seconded by the hon. member for Calgary North (Mr. Woolliams), the following amendment to the motion:

> That this motion be amended by adding at the end thereof:
>
> "and that the International Joint Commission have a mandate to utilize and requisition such financial and other resources of Canada and the United States as will best and soonest restore the ecology and environment on the west coast to pre-spill conditions."

Perhaps the acceptance of that amendment will commend itself to all hon. members of this House, especially members from British Columbia and particularly the hon. member for Fraser Valley East, because it puts some teeth into what otherwise is a poor piece of cosmetic surgery in order to get them out of the political embarrassment they face in the province of British Columbia.

I condemn hon. members opposite for the shallow device used in an attempt to use this House for their own pure political advantage in coping with a situation for which they are being criticized for not doing enough. If the ministers responsible had a little backbone and did something about confronting the United States on this matter, we would be much happier.

Mr. Douglas A. Hogarth (Parliamentary Secretary to Solicitor General): Mr. Speaker, I take it that I can speak on the motion and the amendment in the course of this debate. I will be very short in what I have to say because I recognize how deeply indebted we are to members of the Ralliement Créditiste—

An hon. Member: You mean the Social Credit party.

Mr. Hogarth: I prefer the old name, because we have Social Crediters at home and I get along much better with them. We are indebted to them for the time provided to debate this subject today. In speaking on this matter I must confess that, like many other persons who do not have a certain amount of expertise in this matter, it is not within my ken to judge or determine whether there should be a pipeline through the central part of Canada to remove Alaskan and northern oil or whether there should be a tanker route on the west coast. I can say, however, without doubt or qualification that to my mind a tanker route on the west coast which takes large vessels through the Juan de Fuca Strait will mean that a disaster will occur somewhere along the route. I should like to emphasize that statement because some people on the North American continent will not accept the fact that a disaster will occur.

Recently we have witnessed the disaster of the *Torrey Canyon* in the English Channel and the *Arrow* in Chedabucto Bay, Nova Scotia. I assure the House that in terms of land value and value of the environment, those disasters are nothing compared to what will happen when one of these large tankers breaks up in Juan de Fuca Strait, or Georgia Strait in the vicinity of the lower mainland of British Columbia.

This and other governments have had many warnings and a great deal of time in which to take very firm action. I should like to reiterate the many remarks which have been made by the hon. member for Esquimalt-Saanich (Mr. Anderson) about a situation so serious that he felt he had to go to Washington in an endeavour to prevent this sort of thing happening. I quite frankly admit that many members on the opposition side, members on this side from British Columbia, members of the cabinet and people from other parts of Canada have viewed this matter with great concern. I do not think it behooves anyone to suggest that anyone is taking political advantage by referring to the matter again.

Some hon. Members: Hear, hear!

• (1630)

Mr. Hogarth: Mr. Speaker, I am amazed at the personal attack made on the hon. member for Fraser Valley East (Mr. Pringle) today. He has been accused of being a government dupe. He has even been accused of protecting his own property! There is not a person in this House of Commons who would ever question that hon. member's motives concerning anything in the course of his parliamentary duties.

I should like to point out to the member for Fraser Valley West (Mr. Rose), that if the hon. member should happen to own property in the United States in the vicinity of the Cherry Point oil refinery, there are also hundreds of Canadians who own property at Birch Bay, Point Robert, San Juan Island and Boundary Bay who would be affected by a disaster at Cherry Point. I say to those hon. members who suggest that the hon. member for Fraser Valley East moved a motion to protect his own property that there are many Canadians who have thousands of dollars invested in that area who wish to protect their investment.

The Acting Speaker (Mr. Laniel): Order, please. The hon. member for Fraser Valley West (Mr. Rose) is rising on a point of order.

Mr. Rose: I rise on a question of privilege, Mr. Speaker. I should like to point out to my hon. friend from New

Westminster (Mr. Hogarth) that I did not raise the matter of the cottage of the hon. member for Fraser Valley East (Mr. Pringle); the hon. member for Fraser Valley East raised it himself. I do not have the record before me, but I believe the hon. member suggested in his speech that he had a personal interest in this matter. I agree with the hon. member for New Westminster that a number of Canadians with cottages on the United States side of the border certainly are concerned. Why should they not be concerned, as no doubt are many American cottage owners? The hon. member for Fraser Valley East is doubly concerned because he happens to be one of them.

Mr. Hogarth: Mr. Speaker, I accept that, if it is a retraction of the inference left in this House that the hon. member for Fraser Valley East was protecting his own property when he moved this motion. I should like to get off these silly and interpolitical things and say that what we are all concerned about is one of the most beautiful parts of Canada which will be destroyed unless firm action is taken.

The damage involved could be irreparable. I am fed up with the apparent influence which large United States oil companies appear to have on all governments concerned with this matter. I do not exclude the government with which we in this House are concerned; I refer to all governments. I am fed up with the obvious delay in doing something in respect of the matter of safety which is involved.

I think rather than refer this matter to the IJC, which of course is a good idea, in addition all tanker movement should be stopped, except those which are required for local purposes, until the appropriate governments have evolved the appropriate regulations and treaties and until the people of British Columbia can be assured that they will be fairly well protected from such a disaster. I say "fairly well protected" because they can never be completely protected.

All members from British Columbia are concerned: I include members of the opposition. All of us on this side are concerned. No one can take any great amount of credit, but I should like to point out that the hon. member for Esquimalt-Saanich certainly deserves the most credit. All of us support him in everything he has done. I also support the Minister of the Environment (Mr. Davis).

The problem about being a backbencher is that one does not always have the whole picture before him or the big decisions to make. It is easy for members on the backbenches and in the opposition to make wild suggestions concerning what should be done, when we do not have the expertise to deal with these questions.

However, I am not saying that the government has gone far enough with regard to protecting the interests of the people of British Columbia. With the greatest respect for the Secretary of State for External Affairs, (Mr. Sharp) I remember how difficult it was some years ago in this House to get the government to do something about the Arctic. Had it not been for a group of us who constantly prodded the government, I do not think the Arctic pollution legislation would have been passed. Certainly that is a mark for this government in the field of pollution. It was a mark for the government to have passed the clean air act and the Canada Water Act which we have in this country today. These are good steps, but I urge the government to go further than this motion contemplates. I cannot understand why the government could not take the firmest stand with the United States government in respect of this problem.

It is not good enough for the Prime Minister (Mr. Trudeau) to discuss this matter with the President of the United States without immediate action flowing from that discussion in respect of the problem not only on the west coast but on the east coast. I am not suggesting that the government is not acting or will not act. I know the reference of the matter to the IJC will have some effect. However, while this reference is being held, while the endless diplomatic processes are going on, and while the IJC is considering the matter, what will happen if a disaster should take place? As much as we support this motion and the motive of the government, what answer will many of us have for the people of British Columbia if a disaster should take place in the interim?

It is my suggestion that the government should consider moving ahead with the American government with immediate, emergency legislation pertaining to the shipments and unloading of oil in the area. We are concerned about the Cherry Point disaster. In this way some assurance could be given that immediate and appropriate steps would be taken to prevent its recurrence.

An hon. Member: Do you support the amendment?

Mr. Hogarth: I see nothing wrong with the amendment. I thank the House for its attention. I think we should get on with the motion right away and pass it.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I welcome the opportunity to speak on the motion before the House dealing with the oil spill in British Columbia and the ecological damage which will arise from it. Before beginning the main portion of my comments I should like to record my opposition of the statement of the hon. member for Burnaby-Seymour (Mr. Perrault) who indicated that opposition members have been using this particular pollution problem in a political way. That statement does not represent the fact. I shall not outline the motions which have been moved every day this week because this was ably done by the hon. member for Yukon (Mr. Nielsen) who pointed out that the members of the various opposition parties in this House—

The Acting Speaker (Mr. Laniel): Order, please. The Parliamentary Secretary to the Minister of Manpower and Immigration (Mr. Perrault) is rising on a point of order.

Mr. Perrault: Mr. Speaker, I rise on a point of personal privilege simply to clarify what I said. I was referring to the preceding remarks of the hon. member for Fraser Valley West. Many sincere efforts are being made by opposition members in this area of pollution, and I acknowledge them.

Mr. Harding: Mr. Speaker, I said the hon. member for Yukon had outlined the areas of concern which have been brought before this House by members of the opposition every day since this oil spill became apparent. It seems

rather odd to me that for three days prior to today the plea from members on this side of the House has been ignored by the government.

• (1640)

Mr. Nielsen: And denied by the government.

Mr. Harding: Yes, and denied by the government. There are several points which I think we should discuss in this debate. I certainly welcome the remarks of the last speaker, the hon. member for New Westminster (Mr. Hogarth). I agree with the majority of his remarks.

This is a serious problem and it is of grave concern to every resident of British Columbia. I think it is time we did some pretty plain speaking and some pretty plain questioning of the government as to their tactics in dealing with pollution problems.

One of the first points I raise is that of contingency plans. Almost two years ago we dealt both in committee and in the House with contingency measures for handling oil spills. What was the result? We were supposed to have these measures implemented and supplies made available in every part of Canada to handle an oil spill if it occurred. What has happened in the case of this rather minor oil spill which took place on the west coast but which has caused immense damage? Precious few contingency measures were taken. This is why we asked for an investigation by the committee on external affairs, because this is an international problem.

The motion I moved yesterday requested that the committee go out to the west coast to look into the problem and to find out what happened. Were we able to move contingency supplies into the area and contain the oil before damage was done to the beach? The answer is no. We have every right to ask the government what their contingency plans are and what they have done in this regard in other parts of Canada.

If we have to cope with a major oil spill in the Great Lakes—and we might have had one in respect of the ship that was wrecked in the St. Clair River—or if we had a major oil spill in the north, what will the government do? Are supplies available to handle such cases? Again, the answer is no. The job has not been done over the last year and a half to adequately carry out the measures needed to implement our contingency plans. We have every right to question the government on this and other matters.

There is another point which I wish to bring to the attention of the House. I revert to the oil problem. Sometimes one wonders to what extent politics are involved in pollution legislation put before the House. Over two years ago we passed the Arctic pollution bill. We have set a 100-mile radius in the Arctic to keep ships from the area and to protect the delicate Arctic ecology from pollution. But that act has not yet been proclaimed although more than two years have elapsed since it was passed by the House.

Some hon. Members: Shame.

Mr. Harding: I say that this is a phony issue which the government is always dragging out before the public. Not only has the bill not been proclaimed, but regulations have not yet been drafted. This government, the cabinet members and the party in power in Canada today has been using this issue to say to the people, "Look what we did in the Arctic". Legislation is sitting on the statute books of Canada, legislation which has not even been proclaimed, and the government wonders why people interested in ecological problems are angry with their performance.

We also have the inland waters act respecting the north. Although it has been proclaimed, regulations have not been brought down. Therefore it is useless. We passed this act over two years ago, but the legislation is useless without regulations. If we examine the list of legislation which deals with pollution problems in this nation, we find that the government has only been playing around with it. In effect, it has been misleading the Canadian public. Frankly, we are fed up with this approach to the problem.

There is another matter that I wish to draw to the attention of hon. members. We fought for it in committee and we have raised it in the House. Under the Arctic Waters Prevention Pollution Act we have set a 100-mile radius of protection. There is nothing wrong with it; I endorse it. But why do we not have the courage to set a 100-mile pollution control zone on the east and west coasts of Canada? We have been urging the government to set up such a zone. This does not mean that we will have complete control in the zone, but we will have the right to control shipping there.

Just a few weeks ago we had a serious wreck on the southeastern coast of Vancouver Island. A ship with a Japanese cargo thought it was 70 miles to the south: it was wrecked and as a result we had another oil spill. The ship came in without radar and without proper compasses. We should have an opportunity to check these ships sailing under flags of convenience. These ships are in the registry of a foreign country and are often inadequately built and equipped with inadequate instruments. They are certainly not safe for navigating on the west coast, down the Straits of Juan de Fuca and up the Strait of Georgia.

What is the government doing about this problem? There is every chance in the world of the TAPS pipeline coming from Prudhoe Bay to the west coast. Perhaps we will see a million barrels of oil per day shipped down the coast. Much of it will travel up the Straits of Juan de Fuca, one of the most dangerous straits in the world for ships. We will not see a small oil spill of a 1,000 gallons or so, because there is danger of tankers coming in there with 100,000 tons of oil. If there is one calamity, one wreck, immense damage will result from one end of the B.C. coast to the other.

What has this government done? We have made some amendments to the shipping act, and we have set up a fund. We will charge so much per ton of oil coming into our refineries and our ports until the fund is built up to a certain level. Recently, demands have been made by Nova Scotian oil companies that the rate of 15 cents per ton be reduced because they cannot handle it. I understand that the government is making some adjustment in this regard. The people of this nation have a right to demand protection of our shores from oil spillage. It is amazing to me that with all these dangers facing us, so little has been done.

I should like to get back to the matter of the oil tanker route on the west coast, the problem which we are discussing now. For a year and a half our committee has been trying to obtain permission from the government to visit the west coast to look into this problem. The chairman of the committee was the hon. member for Esquimalt-Saanich (Mr. Anderson) who was recently elected leader of the provincial Liberal party in British Columbia. He moved a motion in this House. Some of the members of the cabinet disliked the manner in which it was raised, so the committee was denied the right to travel and investigate.

• (1650)

We tried to get a similar motion through the national resources committee, but it went the same way. Members of the cabinet collectively were not interested in having a committee of the House of Commons conduct a thorough investigation of the oil tanker route along the west coast. No one held up this motion except the cabinet ministers who are sitting in the chamber right now. We have every right to condemn them for the action they took last year.

I endorse the motion that is before the House, Mr. Speaker. I will be happy to see it forwarded to the International Joint Commission and I hope some action will result from it. However, just last week in answer to a question which I posed in the House, the Secretary of State for External Affairs (Mr. Sharp) indicated that a letter he had written to his counterpart in the United States, suggesting joint action by the IJC on the west coast of Canada, had not been answered. I certainly hope we have more luck with this motion.

Mr. Basford: Let's pass it, then.

Mr. Harding: There are several other points I would like to make before I sit down. However, I know that a number of hon. members wish to take part in this debate. I believe that major changes must be made in our shipping act if we are to bring about the type of controls that I am sure most members of the House want. We should bar from Canadian ports any ships which cannot meet the standards on which we as Canadians insist, particularly if those ships are to travel waterways such as the St. Lawrence Seaway, the Straits of Juan de Fuca and the Strait of Georgia. If we do not do this, Canadians will be the losers in the long run. We will lose because of the immense ecological damage which is bound to be done to our coasts, to our fisheries, to our tourist industry and to the living which people enjoy in the coastal areas.

It is not as if these things had not been brought to the attention of the government. Here I wish to quote from a brief which was presented to the government and, I believe, to most members of this House in May, 1971, by the Canadian Scientific Society for Pollution and Environmental Control in British Columbia, which organization we call SPEC. Some interesting points are made in the brief. It deals with the size of tankers, and says:

> The size of the tankers involved in this oil movement means that any mishap or spillage will be a catastrophe. A tanker such as the *Universe Ireland*—not necessarily the largest to be used—carries 300,000 tons. If this were spilled and washed up on shore it would make a blanket one inch thick, 30 feet wide and 3,000 miles long.

This is the problem that we are worried about in British Columbia. With just one major mishap in 25 or 30 years there would be a catastrophe so far as the entire coastline is concerned. This is why we are pressing this issue and urging that every pressure be put on the United States to stop the shipment of oil through the Straits of Jaun de Fuca. I quote further from the brief as follows:

> In an affidavit prepared in March, 1970, Mr. J. T. Galvin, co-author of the well known book on Pacific marine life, "Between Pacific Tides," said this about the effects of a spill from this tanker traffic:
>
> "The effect of the oil spills which must be expected as a result of the proposed pipeline tanker operation will be grim. Oil spilled at Prince William Sound or at sea in that area will be carried down the coast by the Japanese Current, perhaps having its major effect in the first thousand miles, but certainly making a major contribution to the fouling of the shoreline all the way to Point Conception in California, where the Japanese Current swings seaward away from the coast.
>
> "Not only will the oil move down the coast with the ocean current, but it will be carried by the flowing and ebbing tides into every bay, inlet and salt lagoon. And in the cold waters of the North Pacific oil degrades very slowly. In short, the effect of the inevitable spills will be catastrophic and irreversible.

This organization, SPEC, made a number of recommendations. However, it seems to me that the government has totally ignored this top-notch environmental organization which has done so much work in this field. For that reason I think the government should be condemned. I quote again from the brief:

> Because of our great concern for the damage to our environment which is sure to result from present plans for increased tanker traffic along the west coast of Canada, and the various proposals for pipe lines in the Arctic, we urge:
>
> 1. The Canadian government holds hearings in western Canada regarding the proposed tanker/pipeline movement of oil, so that Canadians in the area most directly affected will be able to make their views known to the government.

That recommendation was ignored last year. I have already indicated the trouble we had in trying to get a committee out to the west coast. Yesterday I moved a motion asking that the external affairs committee go out to investigate the present Cherry Point oil spill. That motion was turned down. SPEC also recommended as follows:

> That a joint Canadian/United States committee be appointed to hold hearings and to report to our governments on the many aspects of transporting oil from the Arctic which are still matters of controversy. The committee should have at least five members from each of our countries, and these five would include an economist, an engineer, a lawyer and a representative of a conservation/anti-pollution group.
>
> We believe that most of the decisions concerning the Trans-Alaska pipeline were made in haste, or from a narrow point of view. They have not properly considered long-term effects on economics, petroleum usage and markets, or environmental damage, and we fear that these long-term decisions are being made in haste, under both political and economic pressure.

• (1700)

> We suggest that a committee embracing both Canadians and Americans be appointed to hold public hearings, to publish their recommendations, and to open to public debate and consideration the many aspects of the development of the northern petroleum resources. This committee should also have conducted a thorough study of the ecological effects of the Mackenzie Valley pipeline route.

Mr. Speaker, there is so much to talk about, so many problems to deal with as far as an oil tanker route along the west coast of Canada is concerned, that late as it is I think the government would be wise to move now for some type of public hearing and try to gather information. If we cannot stop the building of the TAPS pipeline and the tanker route down the west coast, then at least we should know what we are up against should an oil spill occur. At least let us ensure that contingency measures are available to handle all oil spills, large and small.

It is with this in mind that I urge the government not to wait any longer, to move now. We have had one small spill from this refinery. One only has to examine the reports of oil spills which occur when tankers are loading and unloading at any port in the world to find that the spillage of oil is a great hazard. There is no doubt that when tankers start unloading at Cherry Point we shall see a large number of oil spills, and the current flowing north will sweep it up the British Columbia coast and do irreparable harm to the ecology and the beaches there.

In closing, Mr. Speaker, I trust we will not leave it to the International Joint Commission to do all the investigating. Let an all-party group conduct hearings and bring in recommendations to this government which I hope will be accepted.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I must say I have found the afternoon quite interesting.

Mr. Woolliams: I should think you would.

Mr. MacEachen: There is nothing more revealing than to observe the House of Commons when it is not moving in its normal measured way and when there is the interposition of a motion or an activity that will derange the normal business of the House.

Mr. Lewis: You mean, when we have important matters to discuss?

Mr. MacEachen: We have had an example in the very important motion put forward by the hon. member for Fraser Valley East (Mr. Rose), who deserves to be congratulated for taking the initiative in bringing this motion before the House.

Mr. Lewis: At least you have the decency to smile.

Mr. MacEachen: In addition, he is to be congratulated for gaining unanimity in the House for having the motion put, and in the debate for securing unanimous support for the motion from every member who spoke. That is a rather important achievement.

Mr. Harding: We have been trying to get it all week.

Mr. MacEachen: This is not the first motion of this type that has been put in this session. Just the other day we carried a motion, without debate, put under the Standing Order by the hon. member for Winnipeg North Centre (Mr. Knowles); and earlier we carried, without, debate a motion put by the hon. member for Skeena (Mr. Howard). Earlier still I believe we had a debate on a motion put under the Standing Order by the Leader of the Opposition (Mr. Stanfield) on, if I recollect, the subject of Biafra. So this is not a totally novel procedure, Mr. Speaker.

It makes matters difficult for all parties, however, when a motion is put quickly and we are launched on a course which was not anticipated when the House opened. Since that time, the hon. member for Yukon (Mr. Nielsen) has offered an amendment to the motion which introduces some new material and deserves consideration. Earlier today the House defeated a motion to proceed to orders of the day. I am not reflecting on the vote in any way except to indicate that if that motion had been accepted it would have supplanted totally the motion before the House and the House would not have had an opportunity to continue the debate and, more important, it would not have had an opportunity today or later to come to a conclusion on the subject matter itself. For that reason, it was not possible to support the motion.

In view of the fact that we have had a very extensive discussion this afternoon—quite a number of hon. members from British Columbia have spoken, some on this side of the House and several on the other side—not much difference of opinion has been exhibited with respect to the motion itself, so that the debate accomplished the purpose of focusing the support of the House on the motion. For that reason I believe it might be possible now to feel that we have accomplished the main purpose that the hon. member for Fraser Valley East had in mind, and draw the debate to a conclusion.

I realize that other hon. members, including the hon. member for Okanagan Boundary (Mr. Howard) might wish to add comments, but with all due respect I believe the subject has been fully and ably covered by those hon. members who have spoken. Probably it would be wise at this point for the House to return—

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, would the minister permit a question?

Mr. MacEachen: Certainly.

Mr. Knowles (Winnipeg North Centre): I think the minister will realize that I am asking him this question before he makes a motion that might not be debatable. Has he given consideration to the fact that if this debate were now terminated, it would mean that the Social Credit party would be cut off with only about two hours available of what should have been a full day's debate?

Mr. MacEachen: Yes, Mr. Speaker, I am aware of that, and I would co-operate in any way with every other hon. member of the House to provide additional time either today or on another day so that the Social Credit party would have the full benefit of the period that would normally be allocated to them. I take that into account in considering bringing the debate to a close, fully aware of the importance which the Social Credit party has attached to their debate today and their wish to have full play. Certainly the government will co-operate either today or on another day to give them additional time if indeed we get to their motion today.

Having said this, Mr. Speaker, I should like to move, seconded by Mr. Sharp, that the debate be adjourned.

Oil Pollution

• (1710)

Mr. Speaker: Order, please. I believe the hon. member for Lotbinière (Mr. Fortin) is rising on a point of order.

[*Translation*]

Mr. Fortin: Mr. Speaker, I raise the question of privilege before the minister introduces a non-debatable motion.

In introducing that motion, the minister is restricting the debate of the Social Credit party without giving the guarantee that it will be a normal day. I therefore wish to protest and point out that in my opinion it is not only an interference with my personal privileges but with those of all other members of our party.

Mr. Rondeau: Mr. Speaker, I also wish to raise a question of privilege.

I should like to remind the hon. minister that we just voted to debate the problem of pollution and that so far no member of our group has had the opportunity of stating his views. The minister seems to be under the impression that all parties have been heard on pollution and since he is so eager for it to be discussed we also should like to do so.

[*English*]

Mr. Speaker: Order, please. Is the Leader of the Opposition (Mr. Stanfield) rising to ask a question of the minister?

Mr. Stanfield: Mr. Speaker, may I ask a question of the President of the Privy Council (Mr. MacEachen)? Before he puts any motion he may have in mind for adjourning the debate, is he prepared to give the House an assurance as to when this question will be brought on again and allowed to proceed to conclusion?

Mr. MacEachen: Mr. Speaker, in replying to the question put by the Leader of the Opposition (Mr. Stanfield), may I say that I would undertake to discuss with the other House leaders the question of how we can bring this matter forward at another time. I would undertake to do that and hope we can reach some satisfactory conclusion. I think we can.

Mr. Knowles (Winnipeg North Centre): How about Saturday?

Mr. Stanfield: Mr. Speaker, is the President of the Privy Council prepared to assure the House that the matter will be brought forward on Monday, in view of its urgency?

Mr. MacEachen: Mr. Speaker—

Mr. Speaker: Order, please. I had not realized that the minister had put the motion. I received it at the table. If the motion has been moved—

Mr. Lewis: No, it has not been moved, Mr. Speaker.

Mr. Nielsen: Mr. Speaker, with respect, Your Honour recognized the hon. member of the Social Credit party before the minister had finished reading the motion.

[Mr. MacEachen.]

Mr. Speaker: Order, please. I recognized the hon. member on a question of privilege. I was speaking in French; perhaps the hon. member did not hear me.

Mr. Lewis: Mr. Speaker, may I ask the minister a question? Would the minister mind explaining to the House why, since the subject in question is now before the House and other members wish to speak on it, and since no assurances on his part can possibly give the Social Credit party a full, continuous day in which to exercise the privilege that is theirs as a party in this House, he seeks to adjourn the debate? Despite any assurances he may give, he knows perfectly well that a full day cannot be given to that party. If they are given two hours today and a couple of hours some other day, that is not the same as being given a full day when all their members can take part in the debate and when others are present to hear them.

Some hon. Members: Hear, hear!

Mr. Lewis: In view of these facts, and since it is now 5.15 p.m., why cannot the minister be gracious enough.—

Mr. Speaker: Order, please.

Mr. Lewis: Mr. Speaker, may I finish my question to the minister?

Mr. Speaker: Order, please. I am wondering on what ground the hon. member may have the floor at this time. He said he would ask a question, but the minister has the floor.

Mr. Lewis: Mr. Speaker, I am asking the minister a question.

Mr. Speaker: I am not sure whether the hon. member is asking a question. He has been speaking for three or four minutes and what he has said does not sound like a question.

Mr. Lewis: Mr. Speaker, I did not think I had taken three or four minutes. I tried to make my point. Would the minister explain to the House why he wants to apply something or other—a motion to adjourn the debate, the axe, or whatever it may be—at this time, instead of allowing the debate to continue to conclusion so that we can vote on the motion tonight and adopt it unanimously.

Mr. MacEachen: Mr. Speaker, I have already explained why I am putting the motion. I remind my hon. friend that we probably would have adopted the motion instantly if he had not insisted on a debate.

Some hon. Members: Hear, hear!

Mr. Lewis: Of course I insisted on a debate. There ought to be a full debate.

Mr. Speaker: Order, please. I suggest to hon. members that this is really debate. The motion has been proposed by the minister and I must put it to the House. Hon. members may consider the matter again after this motion has been decided on. Mr. MacEachen, seconded by Mr. Sharp, moves:

That this debate be now adjourned.

The House divided on the motion (Mr. MacEachen) which was agreed to on the following division.

• (1720)

(Division No. 27)

YEAS

Messrs:

Andras
Barrett
Basford
Béchard
Beer
Blair
Blouin
Boulanger
Breau
Buchanan
Caccia
Cafik
Chrétien
Clermont
Cobbe
Corriveau
Côté (Longueuil)
Cullen
Cyr
Danson
Deachman
Deakon
De Bané
Drury
Dubé
Forget
Foster
Francis
Gillespie
Goyer
Gray
Guay (St. Boniface)
Guilbault
Haidasz
Hogarth
Howard (Okanagan Boundary)
Hymmen
Jamieson
Kaplan
Laflamme
Laing (Vancouver South)
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Lessard (Lac-Saint-Jean)
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
Mackasey
Mahoney
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Morison
Munro
Murphy
O'Connell
Orange
Osler
Pelletier
Penner
Pepin
Perrault
Portelance
Pringle
Richard
Richardson
Roberts
Robinson
Rochon
Roy (Laval)
Sharp
Smerchanski
Stafford
Stanbury
Stewart (Okanagan-Kootenay)
Trudeau
Trudel
Turner (London East)
Walker
Watson
Weatherhead
Whiting
Yanakis—85.

NAYS

Messrs:

Alexander
Bell
Benjamin
Bigg
Blackburn
Broadbent
Burton
Cadieu
Coates
Danforth
Dinsdale
Flemming
Gilbert
Gleave
Grills
Hales
Harding
Horner
Howe
Knight
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lewis
MacInnis (Mrs.)
McCleave
McKinley
McQuaid
Mather
Mazankowski
Moore
Muir
Nesbitt
Nielsen
Nowlan
Nystrom
Paproski
Peters
Ricard
Ritchie
Rose
Schumacher
Scott
Skoberg
Skoreyko
Southam
Stanfield
Thomas (Moncton)
Winch
Woolliams—49.

Division

• (1750)

Mr. Speaker: I declare the motion carried.

Mr. Pringle: On a question of privilege, Mr. Speaker—

Mr. Speaker: Order, please. The hon. member rises on a question of privilege.

Mr. Pringle: Mr. Speaker, I want to record why, as the mover of the original motion—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I wish to bring to the attention of the hon. member that it is not a question of privilege to rise to explain how a member has voted.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member for Lotbinière (Mr. Fortin).

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, we did not vote because we were compelled—

Mr. Speaker: Order. It being six o'clock, I do now leave the chair.

At 6 p.m. the House took recess.

[*English*]

AFTER RECESS

The House resumed at 8 p.m.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: Order. It is my duty pursuant to Standing Order 40, to inform the House that the questions to be

raised tonight at the time of adjournment are as follows: The hon. member for Compton (Mr. Latulippe)—St. Lawrence Seaway—Reimbursement of debt; the hon. member for Parkdale (Mr. Haidasz)—Immigration—Suicide of Alicia Wiercioch—Request for Investigation; the hon. member for Richmond (Mr. Beaudoin)—Pensions—Old Age Security—Alleged intention of Quebec government to profit by part of recent increase—Request for statement from minister.

* * *

PRIVILEGE

MR. BURTON—ALLEGED MISREPRESENTATION OF FACTS BY MINISTER CONCERNING GRANT TO MANIWAKI FOREST PRODUCTS

Mr. John Burton (Regina East): Mr. Speaker, I rise on a question of privilege which affects the rights of all members of the House and involves the responsibilities of the government to this House in relation to the spending of money. I raise this question of privilege at the first opportunity, this matter just having come to my attention this afternoon as a result of a press report in an Ottawa paper, and I have given Your Honour the one hour prescribed notice that I intended to raise this question of privilege.

The basis for my question of privilege first of all rests on the provisions of the Regional Development Incentives Act, section 5, which prescribes the types of development incentive grants that may be paid to industries or to firms which apply for such a grant. Section 5 (2) reads:

> The amount of a secondary development incentive shall be based on the approved capital costs of establishing or expanding the facility in respect of which the secondary development incentive is authorized and on the number of jobs created directly in the operation and shall not exceed
>
> (a) 5 per cent of those approved capital costs,
>
> plus
>
> (b) $5,000 for each job determined by the minister to have been created directly in the operation.

There are other provisions in that section but this is the relevant one. That was amended later by Bill C-205, in the session of 1970-71, when provision was made for another type of special development incentive grant that also included a provision for a grant of $2,000.

Mr. Speaker: Order, please. I suggest the hon. member should indicate as quickly as possible what the question of privilege is. I suggest that the hon. member cannot take the time of the House to make a long speech. He has to indicate as quickly as possible what the question of privilege might be, and the Chair will indicate whether in its view there is a prima facie case. The hon. member cannot, under the guise of an alleged question of privilege, make a lengthy presentation.

Mr. Burton: Thank you, Mr. Speaker. I merely wish to establish the statutory basis upon which I raise this matter. The cause of the question of privilege was an announcement by the Minister of Regional Economic Expansion on June 6 of some regional development incentives grants in the province of Quebec, and the one in particular to which I wish to make reference involves the Maniwaki Forest Products Limited of Montreal which has accepted an offer of approximately $181,000 for a new veneer facility at Maniwaki. The project is expected to create an estimated 74 jobs, and the incentive grant is in the range of 15 per cent of the approved capital cost estimated at $472,000 plus $1,500 for each job created. That is the information which was provided to members. This information also has to be provided to members in regular reports under the provisions of section 16 of the Regional Development Incentives Act which specifies that there shall be a monthly report on the operations of that act.

In the Ottawa *Journal* of today's date, it was reported that the Maniwaki mayor welcomed the announcement of this grant, but then it was also reported that—

Mr. Speaker: Order, please. I have to remind the hon. member that so far as I can gather, up until this moment there has been nothing that has even remotely resembled a question of privilege. The hon. member should indicate clearly how he feels that the privileges of the House have been abused. He should know, as we all do, that a dispute as to facts or the failure of the minister to give information or the allegation that information given by the minister is incorrect has nothing to do with privilege and cannot be raised by way of a question of privilege. Until now, this is all the hon. member has indicated. He should try as quickly as possible to indicate what the question of privilege is.

Mr. Burton: I was just at the point of pointing out that the plant manager stated that the number of employees would not be increased. This statement indicates a direct contravention of the legislation which has been passed by the House and would result in a misuse of public funds. Also, false information has been provided to members of the House, information which it is required should be placed before the House under the terms of section 16 of the Regional Development Incentives Act. The plant manager in this case is quoted as saying:

> We'll replace our outdated machinery and we'll still operate on a one shift basis with our 74 employees.

• (2010)

There is no increase in the number of jobs created. This is not in accordance with the minister's statement, on the basis on which he is expected to report to the House, so a contravention of the legislation involving an expenditure of public funds has been revealed, and he is guilty of false reporting on this matter in the House of Commons.

Mr. Speaker: Order, please. I suggest that there should not be a debate on this question. This is clearly not a question of privilege; it is a dispute as to facts. I indicated a moment ago why a grievance of this kind cannot be considered by the House under the guise of a question of privilege. The hon. member may have a grievance; he may be right in his contention, but certainly a debate, if there were going to be one on the hon. member's representation or grievance, should not be entered upon in the House by way of a question of privilege.

ROUTINE PROCEEDINGS

BUSINESS OF THE HOUSE

REQUEST FOR EXTENSION OF SITTING HOURS TO GIVE SOCIAL CREDIT PARTY FULL ALLOTTED DAY

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, in view of the course which this afternoon's proceedings took, and in fairness to the members of the Social Credit Party who have given notice today that they would like to debate a question pursuant to Standing Order 58, I wonder if the House would be agreeable to extending the time of sitting today so that they would have full opportunity to debate the question which obviously was of primary interest to them.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): In other words, I would like to suggest, Mr. Speaker, that perhaps the House would be agreeable, by unanimous consent, to extending the time for today's sitting beyond the ordinary time of adjournment so as to permit those hon. gentlemen a maximum of four hours' debate on their motion. In that way they would be able to air the question which they gave notice of last night.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, despite what the minister has said I would like to point out that this matter of opposition days is decided. In this case, however, the government introduced a motion—

Some hon. Members: No.

Mr. Woolliams: They certainly did.

Mr. Peters: Mr. Speaker, a statement was made in the House by the Secretary of State for External Affairs (Mr. Sharp) concerning a matter of importance. This was followed by a motion from a government member to discuss that matter of immediate importance, and it has now been discussed. The government made a decision as to the disposition of that motion when it made a motion to adjourn the debate. I suggest, Mr. Speaker, that this obviously is a government day, and not an opposition member's day.

Mr. Speaker: Order, please. Perhaps the hon. member might like to rise on a point of order, but what we have before us at the present time is a request for an order of the House to be made by unanimous consent. If there is not unanimous consent, then we would not proceed further with the matter. Other hon. members may want to express their views in relation to the point raised by the minister, but I do not think we should debate the matter. I believe there should be an indication of whether there is going to be unanimous consent or not.

Mr. Knowles (Winnipeg North Centre): On a point of order, Mr. Speaker, may I ask if the request for this is made under Standing Order 43?

Mr. Macdonald (Rosedale): Obviously not. On the same point of order, Mr. Speaker, I think the hon. member should have known that this is the customary request by the acting House leader on a procedural basis. If some hon. members are not prepared to extend to hon. members in the Social Credit Party the courtesy of—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Obviously, we are not going to proceed very far on the basis of unanimity, and so I wonder if we might not proceed on motions, which is the item before the House now.

Mr. Lewis (York South): Mr. Speaker, I rise on a point of order. I fully appreciate Your Honour's desire that we go on with the business of the House, but I do not think we can afford, nor is it proper or fair to let the minister get away with a canard, Mr. Speaker.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Lewis: It is, Mr. Speaker, the cheap trickery of the Liberal government,—

Mr. Speaker: Order, please.

Mr. Lewis: —and not of anybody on the opposition side—

Mr. Speaker: Order.

Mr. Lewis: It is the fault of the government, not of the opposition.

Some hon. Members: Oh, oh!

Mr. Speaker: Order. Can we have order in the House? I wonder if I might not try to inquire if there is unanimous consent.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, as to the proposal made by the minister who was speaking on behalf of the President of the Privy Council (Mr. MacEachen), I should like to say that we are sorry about the present situation in the House. Before the House disposes of this motion, hon. members on both sides should certainly stop politicizing on the backs of the members of this party.

Mr. Speaker: Order. It seems to me that again we are not making much progress. It would be much simpler for hon. members to indicate clearly whether there is unanimous consent; otherwise, we shall proceed with motions.

Mr. Fortin: This is exactly what I was about to suggest, Mr. Speaker. In a word, this is the situation: A government member has moved a motion under Standing Order 43.

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

I must ask if there is unanimous consent; if not, we will go on to motions. I do not think there is any point in a debate as proposed by the hon. member for Lotbinière.

Mr. Fortin: Mr. Speaker, I was trying to say that we agree to the five-hour debate suggestion as provided for in the Standing Orders. Such is our position, a fairly simple one. It was agreed to three times by the representatives of these parties and each time we have been had.

[*English*]

Mr. Speaker: Order, please. The matter is getting slightly more complicated from moment to moment. Already 20 minutes have gone by since we resumed our work, and we still have not agreed on anything. My understanding is that the suggestion was made that the House pursue its sitting after the hour of adjournment for an undetermined period of time. The hon. member for Lotbinière suggests that there would be—I apologize to the House. I am now told that five hours have been suggested by the minister.

Some hon. Members: Hear, hear!

Mr. Speaker: May we have order, please! That is the suggestion on which the Chair has to inquire whether there is unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: Is there unanimity?

Some hon. Members: Yea.

An hon. Member: No.

Mr. Speaker: It is difficult for the Chair to determine this. I am not sure whether I heard any no's. I will ask again, and I wish if anyone has a nay that he make it clear enough.

Mr. Lewis: Mr. Speaker, the answer is no. That is clear enough.

Mr. Speaker: That clarifies the matter.

Mr. Bell: On a point of order, Mr. Speaker, I have checked and I find that at this moment there is a committee of the House sitting, the Miscellaneous Estimates Committee. I think it is very improper that while the question period, a very important procedure of ours, is continuing a committee of the House should be sitting. I think this makes a further sham of this Parliament. They should be instructed forthwith to cease their sitting until the orders of the day are called in this chamber.

Some hon. Members: Hear, hear!

Mr. Speaker: Motions.

* * *

• (2020)

CONSUMER AFFAIRS

ALLEGED NEED FOR COMMITTEE INVESTIGATION OF REVISION OF COMPETITION BILL—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I also rise under the provisions of Standing Order 43 to make the following motion seconded by the hon. member for Yorkton-Melville (Mr. Nystrom):

That the Standing Committee on Health, Welfare and Social Affairs be empowered to inquire into the allegation by Mr. Harold Buchwald, Chairman of the federally-appointed Canadian Consumer Council, that the government's decision to revise its proposed competition bill was an act of political expediency and that the government's decision was a result of an unbalanced dialogue since only two or three out of a total of 300 briefs represented consumer interests.

Mr. Speaker: The motion proposed by the hon. member for Vancouver-Kingsay is put to the House under the terms of Standing Order 43. The Chair will inquire whether there is unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the motion cannot be put.

* * *

ENERGY

ALLEGED NEED FOR COMMITTEE CONSIDERATION OF CANDU PROGRAM AND SHORTAGE OF HEAVY WATER—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I wish to move the following motion under Standing Order 43 seconded by the hon. member for Saint John-Lancaster (Mr. Bell):

That the House of Commons Standing Committee on Natural Resources and Public Works, be requested to give immediate attention to the many problems associated with the CANDU program of AECL and in particular those associated with the proposed partial shut-down of the Douglas Point Power Station, the start-up of the Pickering Three Power Station and the problems involved in the shortage of heavy water and that the committee report back to this House at the earliest possible date.

An hon. Member: Oh-ho—heavy water!

Mr. Speaker: Order. May we have order please. This motion which is proposed under the terms of Standing Order 43 requires the unanimous consent of the House.

[*Translation*]

Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent. The motion cannot be put.

AGRICULTURE

STAGNATION IN AGRICULTURE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to move a motion under Standing Order 43.

I ask for the unanimous consent of the House to present a motion on a question of an urgent nature. Considering the thousands of agricultural auction sales held every week in Canada, especially in Quebec, which means that Canada will soon become an importer of foodstuffs, while up to now it had been an agricultural producing country, I move, seconded by the hon. member for Lotbinière (Mr. Fortin):

That an order of the House be issued instructing the Committee on Agriculture to consider the matter of farm foodstuff supply, which is urgent for the economy of Canada and the Canadian people.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

* * *

[*English*]

POLLUTION

NOISE FROM OVERFLIGHTS OF SUPERSONIC AIRCRAFTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I should like to move a motion of pressing and urgent necessity under Standing Order 43 seconded by the hon. member for Regina-Lake Centre (Mr. Benjamin). At the Stockholm Environmental Conference, Canada's Minister of the Environment (Mr. Davis) said Canada is prepared to permit the occasional overflight of the Anglo-French supersonic aircraft for testing purposes.

Mr. Speaker, this House has had the assurance of the Minister of Transport (Mr. Jamieson)—

Mr. Speaker: Order, please. If the hon. member will put the motion, we have to inquire whether there is unanimous consent.

Some hon. Members: No.

Mr. Speaker: The motion cannot be put.

Mr. Skoberg: On a question of privilege, Mr. Speaker.

Mr. Speaker: The hon. member rises on a question of privilege.

Mr. Skoberg: Mr. Speaker, a member usually has an opportunity to at least get into the motion itself. All I was doing was giving the reasons for the motion and I was right at the point of putting the motion.

Mr. Speaker: The hon. member knows that the precedents related to Standing Order 43 are clear. Hon. members should not attempt and are not allowed to argue the motion which they propose. I would think that Standing Order 43 gives rise to enough difficulties at the present time. It will be recognized that on a number of occasions in the past I have indicated why I thought there was something wrong with the practice in which we had become involved. I am afraid that what is happening today indicates that the Chair was correct in its assessment of the situation.

The hon. member for Lotbinière.

Mr. Skoberg: A further question of privilege, Mr. Speaker. It has always been my understanding that I had to lay the groundwork for the motion.

Mr. Speaker: Order, please. The hon. member should resume his seat. The Chair has recognized the hon. member for Lotbinière.

* * *

[*Translation*]

INDUSTRY

EFFECTS OF IMPORTATION OF TEXTILE PRODUCTS AND SHOES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. André Fortin (Lotbinière): In view of the extremely difficult situation facing the footwear and textile industries in Canada which are unable to compete with massive imports, I move, seconded by the hon. member for Shefford (Mr. Rondeau):

That the problem of textile and footwear imports and their impact on our national industry, be referred forthwith to the standing committee of finance, trade and econdomic affairs, in order that efficient means could be devised to restore the competitive position of these Canadian industries and save the jobs they already provide to Canadians.

Mr. Speaker: The House has heard the motion moved by the hon. member for Lotbinière. It is moved under the terms of Standing Order 43 and requires the unanimous consent of the House.

[*English*]

Is there unanimous consent?

Some hon. Members: Agreed.

An hon. Member: No.

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

* * *

[*Translation*]

DRUGS

MEASURES TO COMBAT EFFECTS OF NON-MEDICAL USE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43.

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, in view of the great use made today of Standing Order 43, I would like to move a motion under that standing order on a pressing and urgent matter.

A review of present measures is urgently needed in order to fight the damages caused by the non-medical use of drugs, especially by college and university students. The use of barbiturates has tripled, as has that of hallucinatory drugs other than LSD, while it has more than doubled in the case of—

Mr. Speaker: Order, please. I will remind the hon. member that he is clearly out of order when he tries to make a long speech in support of a motion under Standing Order 43. I suggest that even if hon. members are unhappy about the events of the day, they should still make an effort to respect the spirit of the rules of this House.

Mr. Lambert (Bellechasse): Thank you, Mr. Speaker. As I always respect your suggestions, I will limit my explanations forthwith to the terms of Standing Order 43. I therefore move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That this House give immediate consideration to the problem of increase in drug abuse in order to urge the Minister of National Health and Welfare to take the necessary steps, jointly with the provincial health ministers, to eliminate this plague.

Mr. Speaker: The House has heard the motion. Is there unanimous consent?

Some hon. Members: No.

Mr. Speaker: The motion cannot be put, as there is not unanimous consent.

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

I would like Mr. Speaker, to call through you, the attention of the House to the fact that systematic use is being made this afternoon of Standing Order 43 which provides that:

A motion may, in case of urgent and pressing necessity previously explained by the mover—

and it ends as follows:

—be made by unanimous consent of the House—

I think this Standing Order has been abused and to this moment not one hon. member who has presented a motion under this rule has been able to prove its urgency. To prevent the House from wasting valuable time I would like you, Mr. Speaker, to explain this Standing Order.

Mr. Speaker: The hon. member for Sainte-Marie will appreciate, as I stated a moment ago, that on many occasions I have given my own interpretation of this Standing Order and I have never interpreted it as being a new application of Standing Order 26 which, as the House is aware, was changed in 1968. Besides, Order 43 which dates back to 1867, should allow hon. members to submit urgent motions without any previous notice as normally acquired.

It is only under such extreme circumstances that hon. members should resort to Standing Order 43. This is the way I have always interpreted it.

[Mr. Lambert (Bellechasse).]

• (2030)

[*English*]

Mr. Nielsen: Mr. Speaker, I rise on a point of order. What is happening here tonight is obvious and results from the government's own ineptness earlier in the day. Rather than prolonging the agony involved in these delays, may I suggest to the acting government House leader that, if he could guarantee the Social Credit party a full day's debate, we could get on with the business of the day.

Some hon. Members: Hear, hear!

Mr. Nielsen: If he would do that, Sir, we could get on with the business of the day. It is very simple. If the government would simply admit that they goofed and give the House a guarantee, now, that the whole of Monday will be set aside for the motion of the Creditiste party, our difficulties will be solved and we will be able to get on with the business of the House.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please.

* * *

TRANSPORT

SUGGESTION GOVERNMENT INCREASE PURCHASES OF RAILWAY CARS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I add further to the sadness of this day—

Some hon. Members: Oh, oh!

Mr. Benjamin: —by asking for the unanimous consent of the House to move a motion under Standing Order 43 on a matter which is urgent and pressing and which will help the government to be consistent. I therefore ask the unanimous consent to move, seconded by the hon. member for Yorkton-Melville (Mr. Nystrom):

That this House urges the government to pursue consistently its policy of purchasing railway cars for the transportation of wheat, thus relieving the railway companies of their legal responsibilities; by purchasing sufficient numbers of cars to transport cattle from Western Canada to eastern markets, as well as by purchasing sufficient numbers of refrigerator cars to handle potato movements from the Maritimes and snow from the Northwest Territories.

Mr. Speaker: Order, please. The Chair has very serious doubts about what is going on. There is, to my way of thinking, a rather unfortunate situation before us at the moment and I do not think that it should be allowed to continue.

Some hon. Members: Hear, hear!

Mr. Speaker: I am not sure if hon. members really want to present motions under Standing Order 43 all evening. I doubt if that is what hon. members want or if they want to place the House in that position. In any event, I am exercising all the patience at my command, because that is my duty and that is what hon. members expect of me.

Some hon. Members: Hear, hear!

Mr. Speaker: I will ask whether there is unanimous consent for the motion proposed by the hon. member for Regina-Lake Centre.

Some hon. Members: Agreed.

Some hon. Members: No.

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

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, on a point of order. I simply wish to bring to the attention of the House the fact that I concur in what you have just said, in order to show the likely feelings of minorities which feel wronged.

Our order of business was disrupted not of our own free will but owing to circumstances on which I do not intend to dwell, as you are aware of them as well as I am. I wish that today's experience will be profitable for the future and that in other fields outside this House the minority rights will be respected in all parts of Canada.

[*English*]

Mr. Speaker: Is the Minister of Energy, Mines and Resources rising on a point of order?

Mr. Macdonald (Rosedale): Mr. Speaker, I rise on a point of order to indicate that I respect the hon. member's right to put his motion. As I said, we are quite prepared to have him and his colleagues debate the matter. However, it is fair to remind him that he and his colleagues consented to the motion put by my colleague earlier today.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I suggest that is not helpful. That is debating, of course, the matter which was raised earlier and I have said that there should not be debate on this matter. We cannot go on eternally trying to assess blame for what has happened. I think we should try to continue with motions.

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

Some hon. Members: Oh, oh!

Mr. Woolliams: Mr. Speaker, I wonder if hon. members would be quiet. Surely, we have made enough noise today, and in that I include all of us. I would now ask for a little bit of sanity of prevail in this institution. Just because one mistake was made this afternoon, and I might say the mistake was made by the government and resulted from their trickery, that is no reason for hon. members tonight to attempt to move motion after motion on matters that are not urgent and not of immediate interest. I am making a special appeal through Your Honour. I agree with your words and sentiments. I make a special appeal to the House. Let us return to the course of sanity so that we may get on with our business.

Some hon. Members: Hear, hear!

Division

BUSINESS OF THE HOUSE

MOTION TO ADJOURN

Mr. Arnold Peters (Timiskaming): Mr. Speaker, in order to protect the Chair and also the rights of Social Credit members which have not been protected in any other way, I move, seconded by the hon. member for Surrey-White Rock (Mr. Mather):

That this House do now adjourn.

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

• (2040)

(Division No. 28)

YEAS

Messrs:

Alexander	Lewis
Alkenbrack	MacInnis (Mrs.)
Bell	McCleave
Benjamin	McKinley
Bigg	McQuaid
Blackburn	Mather
Broadbent	Mazankowski
Burton	Moore
Cadieu	Muir
Coates	Nielsen
Dinsdale	Nowlan
Flemming	Nystrom
Gilbert	Paproski
Grills	Peters
Hales	Ricard
Harding	Ritchie
Horner	Rose
Knight	Schumacher
Knowles (Winnipeg North Centre)	Scott
Knowles (Norfolk-Haldimand)	Skoberg
Lambert (Edmonton West)	Skoreyko
	Southam
	Thomas (Moncton)
	Woolliams—45.

NAYS

Messrs:

Andras	Francis
Basford	Gillespie
Béchard	Goyer
Beer	Gray
Blair	Guay (St. Boniface)
Blouin	Guilbault
Boulanger	Haidasz
Buchanan	Hogarth
Caccia	Howard (Okanagan Boundary)
Chrétien	Isabelle
Clermont	Kaplan
Cobbe	Laing (Vancouver South)
Cullen	La Salle
Deachman	Leblanc (Laurier)
Deakon	LeBlanc (Rimouski)
De Bané	Lefebvre
Drury	Lessard (Lac-Saint-Jean)
Dubé	
Forget	
Foster	

Messrs:

Loiselle	Richard
Macdonald (Rosedale)	Richardson
Mackasey	Roberts
Mahoney	Rochon
Major	Roy (Laval)
Marceau	Sharp
Marchand	Smerchanski
(Kamloops-Cariboo)	Stafford
Morison	Stanbury
Munro	Stewart
Murphy	(Okanagan-Kootenay)
O'Connell	Trudel
Pelletier	Turner (London East)
Penner	Walker
Pepin	Watson
Perrault	Weatherhead
Portelance	Whiting
Pringle	Yanakis—71.

• (2120)

Mr. Speaker: I declare the motion lost.

* * *

[*Translation*]

HOUSE OF COMMONS

REQUEST FOR DEBATE ON STANDING ORDER 43

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to debate the following problem: the necessity of depolluting the Standing Orders of the House, the ambiguity of which is detrimental to the smooth running of Parliament.

Mr. Speaker, a stop must be put to the frustration of the freedom of representatives of the people through cumbersome and prejudicial procedures and regulations. Therefore, under Standing Order 43, I move:

That a debate be held on Standing Order 43.

Mr. Speaker: Order, please. The hon. member has submitted his motion. He might want to let the Chair have a copy of it.

The House has heard the motion brought forward by the hon. member for Kamouraska. The motion requires unanimous consent of the House. Is there such unanimous consent?

Some hon. Members: No.

Mr. Speaker: The motion therefore cannot be put.

* * *

• (2130)

CANADIAN NATIONAL RAILWAYS

INCREASE IN SLEEPING CAR RATES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, it has been stated that I sympathize with you for what has happened today. I was glad that you mentioned in the House that Standing Order 43—

Mr. Speaker: The Chair has recognized the hon. member to enable him to introduce a motion under Standing Order 43 and he should do so without making a speech.

Mr. Gauthier: I merely wanted to say, Mr. Speaker, that we were pleased to hear you say that such standing order has been in effect for 100 years. I wonder if it has always been used as today.

As you know, I have never introduced a motion under Standing Order 43, but just wait for the others. I have never proposed a motion under Standing Order 43, because I have always found it was ridiculous, but when ridicule defeats one, one uses the same weapons as other people.

That is why I ask, under Standing Order 43, unanimous consent of the House—and I trust it will be granted as it was to my liberal friends—to discuss a most pressing matter of interest to the users of the Canadian National, namely the recent increase of 40 per cent in the sleeper rates applied since June 1972. In view of the fact that services have been reduced considerably and have deteriorated over the last few years, I move—

Mr. Speaker: Order. The hon. member must come to his motion, otherwise we will have to go on to another item.

Mr. Gauthier: I move, seconded by the hon. member for Lotbinière (Mr. Fortin):

That this House study the possibility of deferring to the Standing Committee on Transport and Communications the new increase of 40 per cent in sleeper and roomette accommodation on the Canadian National since June 1, 1972.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

SOCIAL SECURITY

REFERRAL OF QUESTION TO STANDING COMMITTEE FOR STUDY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I wish to move a motion pursuant to Standing Order 43. In view of the position taken by the Quebec Minister of Social Affairs and the correspondence between the Premier of Quebec and the Prime Minister of Canada (Mr. Trudeau), I move, seconded by the hon. member for Champlain (Mr. Matte):

That an order be given to this House for that whole question to be referred to the Standing Committee on Health, Welfare and Social Affairs so that it may be better understood and studied.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: No.

Some hon. Members: Yes.

Mr. Speaker: Therefore the motion cannot be put.

* * *

FEDERAL-PROVINCIAL RELATIONS

MOTION TO ADJOURN—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. René Matte (Champlain): Mr. Speaker, pursuant to Standing Order 43, I seek unanimous consent to discuss the urgent matter of the relations between the province of Quebec and Ottawa.

For a few weeks, the federal administration has been under heavy attack throughout the province of Quebec.

First of all, there was the minister's tirade—

Mr. Speaker: Order. The hon. member should get to the point. He seems to be launching into a speech, but he knows he cannot do so. Under the Standing Orders, he should explain the urgency of the motion he is submitting to the House.

Mr. Matte: Mr. Speaker, as clearly stated in Standing Order 43, an hon. member who moves a motion under that Standing Order must explain why it is urgent. I do not think that anyone can deny that this is an urgent matter, when it is a known fact that the very future of our country is at stake, and if we do not want, within a year or two, Canada to go back to square one—or nine as you wish—it is urgent to debate this matter today so that the atmosphere that now exists in Quebec, with all the controversies which involve our country's future itself, may not destroy Canada.

Therefore, I move, seconded by the hon. member for Beauce (Mr. Rodrigue):

That this House be adjourned to discuss the pressing matter of relations between Quebec and Ottawa.

Mr. Speaker: Order. The hon. member's motion is out of order. Such motion should usually be introduced under Standing Order 26. The hon. member calls for the adjournment of the House, and he cannot do so under Standing Order 43. Therefore, his motion cannot be put.

[*English*]

Mr. Nielsen: Mr. Speaker, I rise on a question of privilege. Again, Sir, we are being treated to the same kind of asinine behaviour that is a complete waste of the time of the House. I again appeal to the acting House leader, who is at the moment speaking on behalf of the government, to bring some order and sanity back to these proceedings. The only way he can do it, I suggest to him in the name of sweet reason, is to assure the Social Credit party that they will get the full day's debate that they were hampered from having today.

Surely, we are entitled, not only in this country but in this House, to a modicum of leadership from the government and from the Acting House Leader in breaking this deadlock and getting down to the business of the country.

Mr. Macdonald (Rosedale): Mr. Speaker, I would point out to the hon. member what he obviously does not know: unless orders of the day are reached today, then by the operation of the rules hon. members will have an allotted day at some future date. I should also point out that if hon. members are interested in having a sensible question period, we could go ahead and have it. But if they are not interested in having that, I suppose they will continue with this charade of moving motions under Standing Order 43.

Mr. Nielsen: On that point, Sir, the acting government House leader knows, as do all other hon. members, that the assurance that the Social Credit party is seeking and that other parties on this side of the House are seeking is that it will not be an opposition day that is usurped in order to come back to the motion by the Social Credit party. This is the undertaking we are seeking from the government. Surely this is not without reason.

Mr. Macdonald (Rosedale): Mr. Speaker, there is no way that representatives of the government can take away opposition days that are assured by the rules.

Some hon. Members: Oh, oh!

Mr. Nowlan: Mr. Speaker, having sat in this Chamber for the last few hours, I completely agree with the acting House leader that the present charade involves us all in the House of Commons. But I come back to a ruling made by Your Honour earlier today. While the rule may be 105 years old, I do not believe that in 105 years of parliamentary democracy of the British institution—or Anglo-Saxon institution, to get the two languages involved—there has been either an interpretation or an implementation of a ruling by the Chair which has brought the House into such utter confusion.

Frankly, I completely agree with the hon. member for Yukon (Mr. Nielsen) that unless the acting House leader can assure us that the Créditistes will have their opposition day, then I suppose we will have to sit out the next 20 minutes. But so far as I am concerned, after sitting here for the last three four or five hours of complete insanity, I don't see why we cannot call it ten o'clock and start fresh tomorrow.

I call it ten o'clock, Mr. Speaker.

Mr. Speaker: Order. It has been suggested that we call it ten o'clock. Is it agreed that the Chair shall call it ten o'clock?

Some hon. Members: No.

Mr. Speaker: There is not agreement.

Mr. McKinley: I rise on a point of order, Mr. Speaker. There are some important questions that were supposed to be asked today and we are not going to have a chance to ask them. What has happened today has brought up something that has concerned many of us for quite an extended period of time. This is the fact that hon. members who belong to the Creditiste party are situated to the left of the Speaker in the far end of the chamber. I think normal tradition was that the opposition were seated immediately to Mr. Speaker's left, and others who formed

the government majority were seated in the far end of the chamber. But this government, due to its feeling of power over and control of the people of this nation—

Some hon. Members: Oh, oh!

Mr. McKinley: —have decided that those hon. members should be seated there. I think it is time this should be changed.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. Again I appeal to hon. members to accept the suggestion put forward by the hon. member for Annapolis Valley that we call it ten o'clock.

[*Translation*]

Mr. Fortin: Mr. Speaker—

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

Mr. Fortin: Yes, Mr. Speaker.

Considering the very serious nature of the situation and the dilemma in which we find ourselves, I would like to say that it is not happily that we are fighting in order to obtain respect for the rights of the minorities in the House. But we would like to have it clearly stated that, first of all, our Standing Orders give us the right to one opposition day; secondly, that this right has today been trampled underfoot by persons who have abused a provision of the Standing Orders which is ridiculous, and the first victims of such a situation are my colleagues and myself.

Mr. Speaker, we have listened to hon. members opposite all day long and I hope now that they will be kind enough to listen to us.

Finally, I should like to say that all afternoon, as leader of the House for my party, I have attempted without result to hold talks with representatives of all other parties in order that this right be respected and that we get down to serious business. I have even put a motion to this effect.

Three times, they have come to us in order to reach an agreement and three times, we have been misled. In fact, we, have been masterfully taken in by people who are more concerned with playing politics than carrying out the business of this House. The net result, Mr. Speaker, is that you have had your fill—with all due respect—and so have we. The only thing we want is the formal recognition that our party is on an equal footing with the others, and therefore entitled to an opposition day just like the other parties. When some day the Progressive Conservatives and the Liberals understand this, there will be order in the House, but not before.

• (2140)

[*English*]

Mr. Speaker: Order, please. Again, I suggest we might call it ten o'clock but the hon. member for York South (Mr. Lewis) rises on a point of order.

Mr. Lewis: I do, Mr. Speaker, on another subject and I do it on a point of order with apologies to you, Sir, because we may not reach the question period. It is obvious that the motion that was moved by the hon. member for Fraser Valley East (Mr. Pringle) is of great importance to Canada and of great concern to this Parliament. Because of that, Mr. Speaker, I should like, through you, to ask the Acting House Leader whether he would guarantee that that motion would be brought forward tomorrow for a continuance of the debate which was adjourned earlier—

Some hon. Members: Oh, oh!

Mr. Lewis: Hold it a minute—just wait a minute—for the continuance of the debate which was adjourned today if our party were—and in its name I offer—to give up tomorrow, our opposition day, for the purpose of continuing that debate, understanding full well that if we do that we will lose one of our opposition days. I should like to ask the Acting House Leader, if I do that on behalf of our party, if he will guarantee to bring forward the motion of the hon. member for Fraser Valley East tomorrow so that the debate may be completed and the motion voted on by the members of this House.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): Mr. Speaker, as I understand the hon. member's proposal, it is that the motion put in the name of my colleague, the hon. member for Fraser Valley (Mr. Pringle) would become the subject matter, if the hon. member likes, of tomorrow's allotted day which was to be in the name of the hon. gentleman's party. In that case, if the House could perhaps recognize that the subject matter of the motion would be changed from the one he has given notice of to that of the hon. member—

Some hon. Members: No, no!

Mr. Lewis: Mr. Speaker, the hon. minister obviously did not understand me, though I thought I made myself clear. It is my understanding that when a debate is adjourned the matter becomes a government order. What I am proposing is that we will give up our opposition day, not only give up tomorrow but give up one of our opposition days so that we are left with one rather than two, if the minister will agree that he, as Acting government House Leader, will bring forward that motion which is now a government order.

Mr. Macdonald (Rosedale): Mr. Speaker, if the House is prepared to make an order this evening to reduce the number of outstanding allotted days by one, as the hon. member has suggested, that is for the balance of this part of the session, I will be quite agreeable to bringing forward the order standing in the name of my friend from Fraser Valley. If we are in agreement on the reduction of the number of allotted days by one in this case, I will be quite agreeable to calling that as the first order of business under government orders tomorrow.

An hon. Member: That is twisted.

Mr. Lewis: Mr. Speaker, that was clearly what I suggested, though I did not put it quite the way the minister does because if that debate ends at two o'clock or three o'clock tomorrow, then it is possible to spend an hour or two on the motion that we now have on the order paper. I am,

and my colleagues are, anxious to have that matter debated rather than adjourned until next week. If the greed of the Acting House Leader is such that he will not agree unless we now make an order that we lose the entire day, then he can have it and I hope he gets indigestion as a result of his greed.

Mr. Macdonald (Rosedale): The hon. member has such a charming manner.

Mr. Lewis: I find it very hard to match yours.

Mr. Nielsen: Mr. Speaker, we are prepared to agree to that rather magnanimous offer of the New Democratic Party. We would, of course, have done the same thing had we not—

Some hon. Members: Oh, oh!

Mr. Nielsen: We do so on the understanding that it will not only be the motion that is now standing as a government order that will be debated tomorrow, but as well the amendment that was proposed from this side of the House.

Mr. Speaker: Order, please.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, we agree with the proposal made by the leader of the New Democratic Party (Mr. Lewis) and we respect it, but we would like to have the same opportunity to dispose as we wish of our opposition days.

[*English*]

Mr. Speaker: Order, please. I believe there is obvious unanimity on this point. The understanding is that the motion which presently stands in the name of the hon. member for Fraser Valley East (Mr. Pringle), and of course the amendment thereto which by the Standing Orders will tomorrow become government orders, would be the first order of business. It is also understood that if this matter is disposed of before the end of the day, the next order of business would be the motion which now stands in the name of one of the representatives of the New Democratic Party. Is this understood and agreed?

Some hon. Members: Agreed.

Mr. Speaker: Of course, as the hon. Acting Government House Leader says, this would be deemed to be the supply day assigned to the New Democratic Party.

Mr. Lewis: Agreed, Mr. Speaker.

Mr. Speaker: Is it agreed?

Mr. Lewis: Perhaps we might call it ten o'clock.

Mr. Speaker: The hon. member for Joliette rises on a question of privilege.

[*Translation*]

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

Mr. Speaker: The hon. member on a question of privilege.

Mr. La Salle: Mr. Speaker, first I would like to ask you if this change requires the unanimous consent of the House and then, with your permission, I shall explain why I rise on a question of privilege. First, I would like to know if this change requires the unanimous consent of the House.

Mr. Speaker: Of course, the changes suggested can only be brought in with hon. members' consent since the measure which would be studied tomorrow has already been announced and is on the order paper. It is only by agreement between hon. members, as I have just pointed out, that it would be possible to change the order of business to be put before the House tomorrow.

Mr. La Salle: In that case, Mr. Speaker, considering the numerous interventions, charges and countercharges made on each side of the House, and the entertainment the parties provided for one another—I think, for instance, of the motions moved this evening, some more serious than others—considering also that at the very last minute we are trying to give the House the prestige it ought to have at all times, I don't think we can get away with it that easily and, as far as I am concerned, I don't accept these changes.

[*English*]

Mr. Speaker: There is not unanimous consent. My suggestion is that we can still call it ten o'clock. Very soon it will be ten o'clock in any event, and I would hope that there could be consultation about tomorrow.

Mr. Lewis: Mr. Speaker—

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

Mr. Lewis: —on a point of order, Mr. Speaker, and it is probably my ignorance of the rules, but I assumed that if we offered to give up our day, the day assigned to the New Democratic Party, not only tomorrow but for good, so the government could use it as its day for the purpose mentioned, then with great respect I do not see how any other member of the House—

• (2150)

Some hon. Members: Hear, hear!

Mr. Lewis: I respectfully submit that no member of this House could interfere with that kind of arrangement if the government agreed with it and we offered our day.

Mr. Speaker: Order, please. I hesitate to disagree with the hon. member who puts his case so well, but I have reached the conclusion that he is not completely right. When the hon. member speaks of "his day" or of "our day" he speaks, let me remind him, of an allotted day which belongs to the House and not to any member, any number of members or any party.

If the hon. member will look at the order paper he will see a specific motion, and there is no way that we can change the order paper without unanimous consent of the House. It seems to me it would be much simpler if there were further consideration of the matter after ten o'clock,

when perhaps sweet reason might prevail. In my capacity as a member of one of the independent parties, I might have consultation with the hon. member for Joliette (Mr. La Salle).

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I wonder if I might make a suggestion which I still think would solve the problem. If there is not unanimous consent to change the order, then surely tomorrow when orders of the day are called and the order in the name of the hon. member for Yorkton-Melville (Mr. Nystrom) is read, if the hon. member declines to move the motion then the day will become a government day. I suggest that the acting government House leader could call the order in the name of the hon. member for Fraser Valley East (Mr. Pringle).

Mr. Speaker: I might agree with this, of course, but we would have to wait until tomorrow and see if the hon. member is still of the same disposition. Perhaps, in view of this possibility, the hon. member for Joliette (Mr. La Salle) might agree that it would be easier if we all were agreed on that point; that might facilitate matters.

[*Translation*]

The hon. member for Joliette recognizes that it is possible, even without the unanimous consent of the House, to follow the order of business which has just been announced: however, under the circumstances, it might be better for hon. members to agree to follow the order of business announced for tomorrow. I wonder if the hon. member for Joliette has reconsidered the suggestion I made a moment ago.

Mr. La Salle: With all due respect, Mr. Speaker, I have reconsidered this matter; if tomorrow the House finds it possible to change the order of business without my consent, I shall ask hon. members to do so, but I will not change my mind tonight.

* * *

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Bell: Mr. Speaker, just before ten o'clock may I ask a question that is traditional on Thursdays. Could the acting House leader tell us what the business of the House is to be?

Mr. McCleave: Give us all the options.

Mr. Macdonald (Rosedale): Mr. Speaker, next Monday, if we complete routine proceedings, and indeed next Tuesday, we will take the two remaining days of the budget debate. Wednesday next and also Friday will be opposition days. On Thursday next the first order of business to be considered will be Bill C-170, the FISP bill, to be followed by Bill C-209, the financial mechanisms bill with respect to housing. That is to be followed, if the previous bill is dealt with, by Bill C-204, the Wheat Board bill. If that is dealt with, it will be followed by Bill C-203, the bill respecting the representation commissioner. This order, of course, is subject to revision on that particular day after the usual consultations between the parties.

[*Translation*]

Mr. Fortin: Mr. Speaker, I rise on a point of order. I wonder if the minister who acts on behalf of the President of the Privy Council could advise us whether he is waiting until he meets the house leaders before announcing the date of the next opposition day reserved for the Social Credit party.

[*English*]

Mr. Macdonald (Rosedale): Mr. Speaker, I would be quite happy to do so. As I indicated, there will be two opposition days next week and I think these matters should probably be discussed with my colleague, the President of the Privy Council in order to determine which opposition parties are to be allotted those days.

An hon. Member: Ten o'clock.

Mr. Speaker: Is it the wish of hon. members that I call it ten o'clock?

Some hon. Members: Agreed.

Mr. Speaker: It being ten o'clock, I do now leave the chair.

At ten o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, June 9, 1972

The House met at 11 a.m.

ORAL QUESTION PERIOD

AIR TRANSPORT

HIJACKING—CANADIAN ROLE IN SECURING ACTION BY UNITED NATIONS TO OBTAIN UNIVERSAL AGREEMENT ON EXTRADITION OF HIJACKERS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to direct a question to the Acting Prime Minister not only as Acting Prime Minister but also in his capacity as Secretary of State for External Affairs. It is a very serious question. In addition to the terms of the Tokyo, The Hague, and the Montreal conventions, would the minister advise the House what role Canada is taking in having the Security Council of the United Nations get all nations together, whether they are signatories to these conventions or not, to obtain a world-wide and universal agreement that extradition proceedings will apply to all hijackers and that no one will harbour hijackers or retain ransom money contrary to the conventions in question and the wishes of the majority of nations that want to bring an end to the ever-increasing, terrible, frightening, crime of hijacking?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I entirely agree with the sentiments expressed by the hon. gentleman. It has been the purpose of the Canadian government to make hijacking a non-profitable enterprise and to do everything possible to get universal agreement that hijackers will be brought to justice. Unfortunately, not all countries in the world are signatories to the necessary conventions. We intend to be fully participating as soon as the legislation has been approved by this session of Parliament. We are now negotiating, for example, an agreement with Cuba, which is not a signatory to the universal conventions but has indicated an interest in having a convention with us.

• (1110)

Mr. Woolliams: In view of the fact that the pilots association, not only of Canada but of the world, has asked the United Nations Security Council to take an active part in obtaining an agreement, is Canada doing anything through the Security Council to get an agreement of those nations which are not signatories to the three conventions I mentioned in my first question? I am asking the government what action it is taking internationally in that regard.

Mr. Sharp: We are trying to take the most effective action we can in this respect. It is not easy because, as the hon. gentleman knows, his views are not entirely in accord with those of all countries. We are not a member of the Security Council, but I can say here that if the Security Council should take this matter under advisement it would please Canada.

IMPOSITION OF CAPITAL PUNISHMENT ON HIJACKERS WHO KILL PILOTS OF PLANES

Mr. Eldon M. Williams (Calgary North): In view of the fact that the new amendments to the Criminal Code dealing particularly with hijacking define the pilot in command of an aircraft as a peace officer, will the government now, without evasion or equivocation, state its policy with regard to a person who is convicted of murder by due process of the law, and who has also committed the crime of hijacking a plane, so far as the application of the penalty of capital punishment is concerned? In other words, if a hijacker kills the pilot in command of a plane, will capital punishment apply to him as a fact—we know that in law it does—and will this government see that it is carried out?

Hon. Mitchell Sharp (Acting Prime Minister): I am quite sure that a question like this asking for a decision on a hypothetical case is not one that I could answer at this time. I can assure the hon. gentleman that we abhor the crime of hijacking as much as he does. We are trying to take whatever action we can, and I think are as effective as any other country in the world in dealing with this question.

HIJACKING—CONSULTATION WITH CANADIAN PILOTS ASSOCIATION REGARDING POSSIBLE BOYCOTT OF NATIONS HARBOURING HIJACKERS

Mr. John L. Skoberg (Moose Jaw): Can the Acting Prime Minister, in the absence of the Minister of Transport, say whether or not he is aware if the government has been in consultation with the Canadian Airline Pilots Association regarding a possible boycott of those nations now harbouring hijackers?

Hon. Mitchell Sharp (Acting Prime Minister): I know that my colleague, the Minister of Transport, has been in frequent consultation with the airline pilots, and I will ascertain whether there has been any recent discussion on this particular point.

HIJACKING—ALLOCATION OF FUNDS TO PROVIDE SECURITY MEASURES

Mr. John L. Skoberg (Moose Jaw): Can the Acting Prime Minister say whether or not the government has given high priority to the allocation of funds to provide comprehensive security measures in Canada?

Inquiries of the Ministry

Hon. Mitchell Sharp (Acting Prime Minister): There have been some recent increases in the surveillance and scrutiny of passengers and their baggage. We are very conscious of the growing threat to aircraft from this source and we are taking as effective measures as we can. I think the hon. member realizes, however, what an extremely difficult problem it is because no one knows where the next strike may occur. It may occur in places that appear to be very innocent and that are not involved in any particular international dispute. This is a problem that is faced not only by Canada but by all countries of the world, and we are trying to keep our security measures abreast of the threat. Needless to say, we could not guarantee, nor could anyone in the world, that there would not be another incident some place.

HIJACKING—POSSIBLE PILOTS' STRIKE—GOVERNMENT ACTION

Hon. Marcel Lambert (Edmonton West): My supplementary question is to the minister. In light of the declaration by the pilots association that they intend to have a strike on June 19 as worldwide as possible because of this problem, would the minister advise the House whether the government has taken cognizance of this fact and, in the absence of the Minister of Transport, what steps will be taken in conjunction with the Canadian Airline Pilots Association to deal with this potential strike and the problem that gives rise to it?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I will inform my colleague, the Minister of Transport, about these inquiries today, and I am quite sure that when he is in the House early next week he will be very happy to deal directly with them.

Mr. Speaker: Order, please. A number of hon. members are seeking to ask supplementaries, including the hon. member for Moose Jaw and the hon. member for Skeena. For the moment the Chair will try to complete the first round of questioning and then return to this important matter in a few minutes.

* * *

INFORMATION CANADA

ALLEGED FAILURE TO SUPPLY ADEQUATE INFORMATION TO PUBLIC ABOUT GOVERNMENT ACTIVITIES—REQUEST FOR REVIEW OF EXPENDITURE

Mr. David Lewis (York South): Mr. Speaker, I have some questions for the Acting Prime Minister. In view of the conclusion reached in four studies commissioned by Information Canada that, despite large expenditures, Canadian citizens are not receiving adequate information about government activities, would the Acting Prime Minister inform the House whether steps are being contemplated to remedy the situation, and would he also undertake to make a statement or to have the Prime Minister or the Minister of Labour make a statement to the House within the next few days as to precisely what steps are being proposed?

[Mr. Skoberg.]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, as the House knows, the purpose in forming Information Canada was to try to improve the communication of government information to the public and to try to get some feedback in response. I do not think it is any surprise that we have not been wholly successful, and I am very glad to have the support of the leader of the NDP that we should try again.

Mr. Lewis: Mr. Speaker, let not the Acting Prime Minister conclude that I am supporting Information Canada, as he may gather from another question I shall ask. I suggest these are very serious matters. In view of the fact that the total expenditures on government information projected for the year 1972-73 are some $63 million, compared with $39 million in the previous year, an increase of over 60 per cent, would the Acting Prime Minister undertake to review on an urgent basis this huge expenditure of taxpayers' money on activities which do not seem to be justified by the results?

Mr. Sharp: Mr. Speaker, the government has these matters under review at all times. I am not prepared, however, to accept the premise of the leader of the NDP that these expenditures are unjustified. I would have thought from his previous question that he felt it was necessary to improve and to enlarge the facilities for making information available.

Mr. Lewis: My question implied nothing of the sort, certainly not an enlargement. My question was based on conclusions which show that these heavy expenditures of taxpayers' money are useless so far as Canadian citizens are concerned. In view of the fact that the Acting Prime Minister himself admitted that the purpose of Information Canada was to improve government services and also admitted it has not been successful, may I ask him whether the government is giving serious consideration to dismantling Information Canada which is proving to be a totally useless agency in the expenditure of taxpayers' money?

Mr. Speaker: Order, please. The hon. member will appreciate that that is argument, debate or a representation rather than a question, especially in view of the form in which it was placed. Perhaps the Chair might recognize a supplementary.

Mr. Lewis: May I rephrase my supplementary, Mr. Speaker.

Mr. Speaker: The hon. member will be recognized for that purpose, and then the hon. member for Peace River on a supplementary.

Mr. Lewis: I want to ask the Acting Prime Minister whether, in view of his admission that Information Canada has not served the purpose that was intended for it, the government intends to dismantle that organization that is not serving the people of Canada and is spending considerable amounts of money?

Mr. Sharp: Mr. Speaker, what I said was that we had not achieved the purpose we had in mind and that we had the matter under review. I hope Information Canada will still

justify its existence by improving the flow of information from the government to the people and vice versa.

• (1120)

INQUIRY AS TO MEASURES TO PROVIDE GREATER FREEDOM OF INFORMATION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, may I ask the Acting Prime Minister whether the government is giving consideration to introducing measures that will provide for greater freedom of information, as was at one time proposed by the Minister of Finance and as I proposed in a private member's bill? Also, would such measures include steps to provide for a greater, franker and fuller flow of information in reply to both written and oral questions in this House?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, like the hon. member I have been a member of this House for quite some time—

An hon. Member: Too long.

Mr. Sharp: —and I have never seen more questions asked, more questions answered, nor more information provided by the government—

Mr. Speaker: Order, please.

Mr. Baldwin: That illustrates my point.

Mr. Bell: Where were you yesterday?

Mr. Speaker: Order, please. I now recognize the hon. member for Saskatoon-Biggar, after which the Chair will recognize the hon. member for Champlain.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, my question is directed to the Acting Prime Minister. Would it be possible to bring this information department to a peak of efficiency so that it could provide us with copies of the publication on pensions and welfare?

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[*Translation*]

INDUSTRY

REVIEW OF POLICY RESPECTING PETROCHEMICAL INDUSTRY—SUGGESTED DISCUSSION BY FEDERAL AND QUEBEC MINISTERS

Mr. René Matte (Champlain): Mr. Speaker, I wish to direct a question to the Minister of Industry, Trade and Commerce.

Does the minister intend to meet his Quebec counterpart, Mr. Saint-Pierre, in order to discuss the policy which seems at present the subject of another litigation between Quebec and Ottawa?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I have met Mr. Saint-Pierre, as I had met his predecessor, on a number of occasions. I think the suggestion is valid. I had thought of it myself and I intend to meet Mr. Saint-Pierre again soon.

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a supplementary question.

As the minister indicated that he was willing to revise the policy concerning the matter in which the Quebec Minister of Industry and Commerce is interested, I should like to ask him whether the government is still willing to do so?

Mr. Pepin: Mr. Speaker, before meeting Mr. Saint-Pierre, I shall naturally consult with the federal ministers who are either interested in or responsible for sectors related to that of the petrochemical industry.

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[*English*]

FINANCE

PURCHASE OF AMERICAN DOLLARS—REQUEST FOR INFORMATION—INQUIRY AS TO POSSIBILITY OF WAGE AND PRICE CONTROLS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Acting Prime Minister because of the absence of the Minister of Finance for several days, which must have some significance. In view of the fact that foreign investors are unloading United States dollars and that the soaring Canadian dollar is hurting the export market, would the government let the Canadian people know something of the mess in which the finances of the country are by revealing at once—I would suggest on Monday—the total amount expended each day by the Canadian government in the purchase of American dollars? During the last year the increase in American dollars has been about $100 million a month and apparently there has been an increase in the last two weeks. Would the minister provide that information in order that Canadians may understand what the situation is instead of the matter being entirely concealed from the people as a whole?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, as the right hon. gentleman himself prefaced his question, we are facing a very difficult and worldwise situation arising out of the weakness of the American dollar, which is reflected in the values of all currencies the world over, and the rising price of gold. As far as the operations of the Canadian government in the exchange market are concerned, this is not a matter that the Minister of Finance discusses on a daily basis. I will bring the attention of the minister to this question, and I am sure he will be able to satisfy the right hon. gentleman when he returns to the House.

Mr. Baldwin: Ask Ben; he had all the answers last year.

Mr. Diefenbaker: I should also like to know whether the minister recalls that the former secretary of the treasury of the United States, Mr. Connally, prophesied what the effects would be on the Canadian dollar although the former Minister of Finance, the hon. member for Kingston, said that he did not fear any increase in the level of the dollar. Has the government now changed its views in that regard, having changed ministers of finance?

Mr. Sharp: Mr. Speaker, I am quite sure that former Secretary of the Treasury Connally would not have forecast such weakness in the American dollar.

Mr. Diefenbaker: Mr. Speaker, apparently the minister did not read what Connally said. I will place that on the record when the opportunity comes. I proceed to the next question in connection with finance. In view of what has been described by financial men across Canada in the current issue of the *Financial Post* as the seriousness of inflation—indeed, they say that the greatest danger to Canada now is from inflation—is the government now giving consideration to bringing in some form of price and wage control?

Mr. Sharp: Mr. Speaker, I have nothing to add to what the Prime Minister has said on that subject—

Mr. Diefenbaker: He did not say anything.

Mr. Sharp: —when he was questioned on it last week. The matter has been under review. The government does not say that it may not be necessary at some time, but these circumstances have not yet arisen. I would be very interested at some time to know whether the right hon. gentleman is advocating these measures.

Mr. Diefenbaker: Mr. Speaker, I do not answer questions here, but I would be glad to give the government a little advice.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The Chair interrupted a series of questions a moment ago and undertook to return to them for one or two supplementaries. The hon. member for Moose Jaw.

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AIR TRANSPORT

HIJACKING—POSSIBILITY OF CANCELLATION OF LANDING RIGHTS FOR AIRCRAFT FROM COUNTRIES NOT WILLING TO RETURN HIJACKERS

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, may I direct a supplementary question to the Acting Prime Minister with regard to the hijackings that have been going on. If all reasonable efforts fail—and I mean reasonable efforts because Canada is recognized by the world's nations as being reasonable—in reaching agreements with other countries now harbouring hijackers, can the minister say if Canada would consider cancelling the landing rights of aircraft originating from countries that are not prepared to return hijackers immediately?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, this is a very serious suggestion that has been made. It is one with very broad implications and it is not one on which I would want to give an offhand opinion.

HIJACKING—NEGOTIATIONS WITH UNITED STATES AND GREAT BRITAIN TO MAKE HIJACKING EXTRADITABLE OFFENCE

Mr. Erik Nielsen (Yukon): Mr. Speaker, may I direct a supplementary question to the Acting Prime Minister. Since Canada is a signatory to extradition treaties with the United States and Great Britain, and since those two countries have amended their treaties with each other so as to include hijacking as an extraditable offence, is the government negotiating now with Great Britain and the United States with a view to Canada making a similar move?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the hon. gentleman may have forgotten that I signed such an amended agreement with the Secretary of State of the United States, but I understand the hon. member is probably not as familiar with these things as I am.

Mr. Nielsen: The Secretary of State for External Affairs has not answered my question with respect to the inclusion of hijacking as an extraditable offence in the extradition treaty with Great Britain.

Mr. Sharp: Mr. Speaker, I am not quite certain what the state of law is between the United Kingdom and Canada, but no problems would in fact arise under such circumstances. I know the hon. member believes that, too.

HIJACKING—REPRESENTATIONS TO ALGERIA FOR RETURN OF HIJACKERS

Mr. Frank Howard (Skeena): Mr. Speaker, may I direct a supplementary question to the Acting Prime Minister. In view of Canada's very friendly and close relationship with the government of Algeria, as evidenced a week or two ago by the government lending the government of Algeria half a million dollars to build a fish processing plant, without interest, incidentally—

Some hon. Members: Oh, oh!

Mr. Howard (Skeena): Mr. Speaker, if this giggling would stop perhaps I could ask my question. In light of this close relationship, can the minister say whether the government of Canada will or has made representations to the government of Algeria for the return of the two American citizens who are being harboured in Algeria as hijackers?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I do not think any Canadians are involved in this, and our general position on hijacking is well known to the government of Algeria. Therefore I do not think there would be any reason for us to make bilateral representations.

IMPOSITION OF CAPITAL PUNISHMENT ON HIJACKERS WHO KILL PILOTS OF PLANES

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, my question is supplementary to another question I asked previously. Since the law calls for capital punishment of a person convicted of murdering police officers, and since

the new bill that the government has brought in classifies the commanding officer or pilot of a commercial airliner as a peace officer, I now put my question to the minister once again and I hope I do not get an evasive answer. Will the government carry out the law in that regard?

• (1130)

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the government of Canada always carries out the law.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

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

Mr. Speaker: Order, please. The hon. member has the right to rise on a question of privilege, but we will then try to go on to the next question.

Mr. Woolliams: Mr. Speaker, it is surely a question of privilege when a member receives an answer like that. In all cases where police officers have been murdered and the accused have been convicted of murder by due process of law, the sentences have been commuted to life imprisonment. I do not want evasion and equivocation from the minister. I want him to carry out the law.

Mr. Speaker: Order, please. The hon. member for Calgary North rose on a question of privilege, not a supplementary. We might try to go on to the next subject. If hon. members want to ask further supplementaries, later, we will return to this subject if there is time.

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VETERANS AFFAIRS

PENSIONS—REQUEST FOR REFERENCE TO STANDING COMMITTEE

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, my question is to the Minister of Veterans Affairs. Several times in the last few weeks questions have been asked in the minister's absence about a change in the basic disability pension rate, with the request that this matter be sent to the Standing Committee on Veterans Affairs with a special reference to study it and bring back recommendations to the House of Commons. Is the minister prepared to reply to that suggestion?

Hon. Arthur Laing (Minister of Veterans Affairs): Mr. Speaker, the whole matter is now under study in my department by my officials. If members of the groups concerned would care to appear before the Standing Committee on Veterans Affairs, I would have no objection.

Inquiries of the Ministry

LABOUR RELATIONS

QUEBEC—LONGSHOREMEN'S STRIKE—PRESENT POSITION—GOVERNMENT ACTION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I wish to direct a question to the Acting Minister of Labour with regard to the strike in Montreal. In light of the fact the Minister of Labour indicated that he had sent telegrams to both the employers and the longshoremen asking them to submit the dispute to immediate arbitration, and in light of the fact the longshoremen have indicated that they have not received such a telegram, is the acting minister in a position to advise just what the situation is regarding this conflict?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, I am afraid I cannot add anything to what the hon. member has just stated. He will have to wait until Monday for the Minister of Labour to comment.

Mr. Alexander: In view of the fact I have been informed that a telegram has been sent to the effect that the longshoremen are not interested in arbitration, nor will they hold to any arbitration award, can the acting minister advise what the next step of the government is in view of the very serious implications this strike has on the economy of the country?

Mr. Mackasey: Mr. Speaker, that is definitely up to the Minister of Labour.

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TRADE

SUBMISSION TO UNITED STATES ANTI-DUMPING TRIBUNAL RESPECTING MICHELIN TIRE COMPANY—REQUEST FOR TABLING OR STATEMENT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. Can the minister inform the House whether he has prepared a submission on the Michelin case to put before the anti-dumping tribunal in the United States? If so, has that submission actually been presented?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Strike one, Mr. Speaker. I know it is being prepared, but I do not know whether it has been sent. I will find out and answer on Monday.

Mr. Broadbent: When the minister finds out what his department is doing in this regard, will he consider tabling the submission or at least making the essence of the submission known to the House by way of a statement on motions on Monday?

Mr. Pepin: I will consider that, Mr. Speaker.

Inquiries of the Ministry

HOUSING

DEFERRAL OF MORTGAGE PAYMENTS FOR KAMLOOPS RESIDENTS AFFECTED BY FLOOD

Mr. Len Marchand (Kamloops-Cariboo): Mr. Speaker, my question is for the Minister of State for Urban Affairs. Can the minister advise the House whether he has yet received confirmation from Central Mortgage and Housing Corporation that the 60 home owners who were victims of a serious flood in Kamloops last weekend have had their payments deferred for three months? I believe the minister made representations to this effect yesterday.

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I have asked the officials of Central Mortgage and Housing Corporation to arrange with the approved lenders for the deferral of such payments for three months. I understand they are having a meeting with the approved lenders on Monday in Vancouver to arrange this. I expect the approved lenders will comply with the request being made of them in order to assist the home owners in Kamloops who have been flooded.

REQUEST THAT CMHC LOANS NOT BE MADE IN AREAS SUBJECT TO FLOODING

Mr. Ian Watson (Laprairie): Mr. Speaker, I have a supplementary question for the Minister of State for Urban Affairs. It has to do with flooding not only in British Columbia but also in Quebec at Laval and Chateauguay. Will the minister request his officials to examine all areas that were flooded in order that in the future no CMHC loans or NHA guarantees will be allowed on homes in areas subject to flooding?

Mr. Speaker: Order, please. That is not a question. The hon. member is making a representation and doing so in a very clear way.

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POWER

PROPOSED ESTABLISHMENT OF NUCLEAR PLANT ON STODDART ISLAND, NOVA SCOTIA, BY PRIVATE COMPANY—GOVERNMENT POLICY

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. In view of negotiations presently under way between a private group of individuals and the government of Nova Scotia with regard to the possible location of a nuclear power station on Stoddart Island, Nova Scotia, is the government in a position to indicate whether it has a policy with regard to the construction and operation of nuclear power stations by private concerns anywhere in Canada?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Yes, Mr. Speaker. There are two government agencies that would be involved here, the Atomic Energy Control Board and the National Energy Board. The Atomic Energy Control Board is responsible for the safety of reactors. I understand that the proposed reactor would be a light water reactor of the American type which at the moment has not been authorized for use in Canada. It would either require a change in those criteria or a refusal of the application. At the moment, neither of the two federal agencies has received an application with regard to the proposal the hon. member has mentioned.

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[Translation]

UNEMPLOYMENT INSURANCE

INQUIRY RESPECTING INCREASE IN CLAIMANTS SINCE IMPLEMENTATION OF NEW ACT

Mr. René Matte (Champlain): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration.

Has the application of the new Unemployment Insurance Act increased the number of recipients?

Mr. Speaker: Order. The hon. member is asking for statistics. In my opinion, such a question should be put on the order paper. However, if the hon. member prefers, it could be discussed at the time of adjournment.

* * *

[English]

INQUIRY OF THE MINISTRY

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, my question is for the Acting Prime Minister. Accepting the fact of poor attendance on both sides of the House in this fading Parliament, may I ask the Acting Prime Minister whether, after yesterday, the Prime Minister has gone to see the Governor General, is in Washington looking into the oil spill, or is his absence just due to Friday politics?

Mr. Speaker: Order, please.

Mr. Sharp: Where is Bob?

Mr. Bell: We know where he is.

* * *

VETERANS AFFAIRS

PENSIONS—REQUEST FOR REFERENCE TO COMMITTEE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the hon. member for Algoma in his capacity as chairman of the Standing Committee on Veterans Affairs. In view of the answer given a few minutes ago by the Minister of Veterans Affairs to the hon. member for Norfolk-Haldimand (Mr. Knowles), will the hon. member consult with the government House leader concerning the possibility of getting a term of reference from the House so that the standing committee can discuss the question of revising the basic rates of veterans pensions?

Mr. Maurice Foster (Algoma): Yes, Mr. Speaker. I will be pleased to do this. As soon as a reference is made by

the government and the House leader, we would be very pleased to study the matter.

Some hon. Members: Hear, hear!

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NATIONAL DEFENCE

IMPENDING DEMOLITION OF GUELPH ARMOURIES—REASON FOR EXPENDITURE ON SIGN

Mr. A. D. Hales (Wellington): Mr. Speaker, I should like to direct my question to the Minister of National Defence. In view of the fact negotiations are almost completed between his department and the city of Guelph for the sale of the armouries which have been there for 61 years and will be demolished, can the minister explain why as late as last week a large sign which is reported to have cost $500 and contains nothing more than "Department of National Defence, Canadian Forces Armouries, Guelph" was erected?

Mr. Speaker: Order, please. I do not think that is a proper question. It should be placed on the order paper. The hon. member will agree that his question is more in the form of a grievance. It is not a question that can be accepted at this time.

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

* * *

• (1140)

IMMIGRATION

SUGGESTED EXAMINATION OF ACT AND REGULATIONS BY COMMITTEE

Mr. G. W. Baldwin (Peace River): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. Bearing in mind the serious problems which have been created by the existing provisions of the Immigration Act and the regulations governing immigration, would the minister urge his colleagues to arrange for the appointment of a parliamentary committee as soon as possible to look into this whole question and make recommendations? I shall not refer to the many cases, but in light of facts of which I am sure the minister is aware would the hon. gentleman consider the appointment of such a committee?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, may I draw the hon. member's attention to the fact that hearings were completed before the Standing Committee on Labour, Manpower and Immigration not more than a week ago, at which hearings his party was very adequately represented.

SUICIDE OF ALICIA WIERCIOCH—REQUEST FOR INVESTIGATION

Mr. Steven E. Paproski (Edmonton Centre): I have a supplementary question either to the Minister of Manpower and Immigration or to the Acting Prime Minister.

Because Canada's international reputation is involved, and because draft dodgers are greeted with open arms and political assassins are allowed to remain here while hardworking people whose only desire is freedom commit suicide—

Some hon. Members: Order!

Mr. Speaker: Order, please. Would the hon. member ask his question? That is not a question; it is an argument or a speech. He should ask a question.

Mr. Paproski: These are facts, Mr. Speaker, because they are treated like criminals by reason of the inhumane and ruthless bureaucratic regulations. I ask this question—

Some hon. Members: Order!

Mr. Speaker: Order, please. That, I suggest to the hon. member, is not in accordance with the rules. He is really making a speech. If every member took advantage of the rules in this way there would not be many questions asked during the question period. I think there is a responsibility resting on all members to abide by the rules.

Mr. Paproski: Would the minister, or the Acting Prime Minister, tell us whether the government is conducting a special inquiry into the tragic death of Alicia Wiercioch who loved Canada so much that she killed herself to stay here?

Mr. Speaker: This question has, of course, been asked before. But the minister might have additional information and he might wish to reply at this time.

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Yes, Mr. Speaker. I did ask for an inquiry in the light of what appeared to be circumstances concerning my department. I might say that the lady in question was not ordered deported on the ground that she was working illegally in Canada, as reported in the press. She obtained the right to work in 1970. She was not ordered deported before she came to the end of her appeal procedure. In fact, her lawyer had indicated her case would be resubmitted for appeal some time in the future and had asked permission to have the normal period of time for appeals to the Federal Court extended. Also, there was still the possibility of an appeal to the Supreme Court. Thus, although the circumstances are very tragic, they can hardly be linked to any rights which this person was denied.

Mr. Paproski: Can the minister report to the House on the number of deportations to countries behind the Iron Curtain in the last six months?

Mr. Speaker: The hon. member is asking, I suggest, for statistical information, and questions of that kind should be placed on the order paper.

REQUEST THAT ALL PERSONS APPEARING BEFORE APPEAL BOARD BE ENTITLED TO COUNSEL

Mr. Douglas A. Hogarth (New Westminster): Will the minister assure the House that all persons appearing

before the Immigration Appeal Board will be entitled to be represented by counsel whether on an original application for deportation or on any subsequent reconsideration?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Yes, Mr. Speaker. I will be glad to take this matter up with the chairman of the Appeal Board this very day.

MEASURES TO SPEED UP DISPOSITION OF APPEALS

Mr. Lincoln M. Alexander (Hamilton West): In view of the fact that I was a member of the Standing Committee on Manpower and Immigration when the minister indicated he had in mind a procedure for speeding up appeals which would alleviate many of the difficulties, could the hon. gentleman now give us a definite idea of these proposals and tell us when he expects to implement this new procedure?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Yes, Mr. Speaker I think that at one of the few meetings of the committee that the hon. member missed I explained in detail the proposals for speeding up the appeal procedure. For example, I mentioned that as of July 1 we would be adding, in the Toronto area, an additional staff of 100 to deal with appeal procedure problems, with greater emphasis on appeal procedure at the special inquiry officer stage—

Mr. Speaker: Order, please. The minister is now giving information which I suggest to him is so detailed that it ought to be given on motions. Perhaps the matter could be pursued on Monday, but we are running short of time now.

Mr. Alexander: May I say I know something of these arrangements because members of the committee were advised as to the procedure the minister has in mind, but would the minister make a statement on Monday informing us in detail as to what he intends to do? I might add that I am presently involved—

Mr. Speaker: Order, please. I appeal to hon. members to ask short questions and to ministers to give short answers, because we now have only three minutes left in the question period.

REQUEST FOR RECONSIDERATION OF ORDER FOR DEPORTATION OF TUAN VU

Mr. Les Benjamin (Regina-Lake Centre): May I ask the Minister of Manpower and Immigration a question concerning the case of Tuan Vu against whom a deportation order has been issued and whose appeal has been denied by the Immigration Appeal Board. He will almost certainly be executed if he is returned to South Viet Nam. Would the minister ask the Immigration Appeal Board to reconsider the case and cancel the deportation order issued against this person?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): This case is presently before the Federal Court. I would not wish to comment on whether or not this man's life would or would not be in jeopardy because the matter is sub judice. I would have to wait until the Federal Court has disposed of the case.

SUICIDE OF ALICIA WIERCIOCH—REQUEST FOR PUBLICATION OF APPEAL PROCEEDINGS

Mr. Stanley Haidasz (Parkdale): Mr. Speaker, I should like to ask the Minister of Manpower and Immigration whether in view of the circumstances surrounding the suicide of Alicia Wiercioch the hon. gentleman will make public the proceedings of the appeal case on March 15 before the Immigration Appeal Board which ordered her deported?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): As the hon. member should know, or does know, the Immigration Appeal Board is independent of the minister and of the department as well as of Parliament. I can only make such a representation to the board and the board will have to judge whether it is in the public interest to reveal that information or not.

* * *

GRAIN

RAPESEED—THREATENING INFESTATION BY BERTHA BUG—REQUEST FOR ACTION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, the question I wish to ask would ordinarily be directed to the Minister of Agriculture. I discussed it with that hon. gentleman yesterday but because of the debacle in the House no attention could be given to it. It has to do with a matter of very deep concern, namely, the threatening infestation by the Bertha bug of the rapeseed areas in northeastern Saskatchewan, particularly in the districts of Melford, Nipawin, Tisdale and the like. While it will not be until the middle of next week that the moths commence to fly, the fact is that the infestation appears to be more serious today than it was last year. Would the Acting Prime Minister do what he can to have the Department of Agriculture look into this matter over the weekend, because if the situation becomes more serious than it was last year it will constitute a serious threat to the meeting of contracts for rapeseed and, in addition, of course, the income of farmers would be greatly reduced?

Hon. Mitchell Sharp (Acting Prime Minister): I can assure the right hon. gentleman of our concern. The answer to the question is yes.

* * *

TRADE

UNITED STATES DISC PROGRAM—NUMBER OF AMERICAN COMPANIES MAKING USE THEREOF

Mr. Lorne Nystrom (Yorkton-Melville): I have a question for the Minister of Industry, Trade and Commerce, Mr. Speaker. Would the minister inform the House whether the number of United States corporations that have made

applications under DISC has now stabilized or whether it is still increasing? Is the minister now in a position to tell us the number of DISC applications and also disclose their names?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I have some very fat figures somewhere. I will give them to the hon. member after the question period. At the end of April it was somewhere around 2,000.

• (1150)

Mr. Speaker: Order, please. The Chair expressed the opinion in respect of a similar question a moment ago seeking statistical information that this kind of question ought normally to be placed on the order paper or considered at the time of adjournment.

Mr. Nystrom: May I ask a further supplementary question. Will the minister say whether the number of applications has now stabilized or is it growing? I think this is important to Canadians.

Mr. Pepin: Mr. Speaker, I am trying to remember, but my impression is that it was about 1,700 at the end of the previous month and 2,000 at the end of last month, which is an increase of about 300 to 400 a month.

* * *

PUBLIC SERVICE

REQUEST BY ALLIANCE THAT REGIONAL RATES OF PAY BE ABOLISHED

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is for the President of the Treasury Board and deals with the recommendation of the Public Service Alliance of Canada that pay zones be scrapped. Will the minister now consider having equal pay rates for federal employees across the country?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, the formal representations from the Public Service Alliance on regional pay rates do not exactly jibe with the statement the hon. member has just made.

Mr. Speaker: Orders of the day.

* * *

BUSINESS OF SUPPLY

On the order: Consideration of the Business of Supply.

Mr. Speaker: My understanding is that perhaps the best way to proceed, in view of the discussions last night, would be to call the two supply motions one after the other. I believe there in an understanding that if they are not proceeded with we would then, according to the Standing Orders, revert to government business.

[*Translation*]

Mr. Gauthier: Stand.

[*English*]

Mr. Nystrom: Mr. Speaker, for the reasons given last night by my leader and our House leader, I do not wish to proceed with our motion at this time.

Mr. Speaker: Stand.

GOVERNMENT ORDERS

POLLUTION

CHERRY POINT OIL SPILL—PROPOSED REFERENCE TO INTERNATIONAL JOINT COMMISSION

The House resumed consideration of the motion (Mr. Pringle):

That in the light of the damage in Canada and the United States arising from the recent oil spill at the Cherry Point Refinery this House support the urgency of a reference to the International Joint Commission of the environmental consequences of the movement of oil in the narrow waters of the Straits of Juan de Fuca, Georgia Strait, and Puget Sound both now and in the future and of the measures necessary to minimize the hazards, and requests the Secretary of State for External Affairs to immediately convey the terms of this motion to the Government of the United States.

And on the amendment thereto of Mr. Nielsen (p. 2969).

[*Translation*]

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

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

Mr. La Salle: Mr. Speaker, I regret having to ask you further information. I would like to know whether the House still needs the unanimous consent to resume consideration of the motion of the hon. member for Fraser Valley East (Mr. Pringle).

Mr. Speaker: Not today.

[*English*]

Mr. David Lewis (York South): Mr. Speaker, I should like to say a word about the reasons for giving up our opposition day today. It is clear to me and to my colleagues that if the motion of the hon. member for Fraser Valley East (Mr. Pringle) was serious and considered to be serious by the government, and if the Liberal party in this House was not merely playing politics but was concerned about the motion having the support of this Parliament, then it was wrong and undesirable for the government to have adjourned the debate yesterday so the motion would hang on the order paper for God knows how long. If, on the other hand, the government members as well as all of us in the opposition considered the matter raised by the hon. member for Fraser Valley East to be serious, and that a unanimous approach by this Parliament to the government of the United States would be useful, necessary and desirable, then the debate on that motion ought to have been completed as soon as possible. The vote on the motion should have been taken as soon as possible,

since we know it would be a unanimous vote, in order that the motion and any amendment adopted might find its course to the government of the United States, because that is where it was intended to go.

We in my party were not prepared to see this very important matter dealt with in the cavalier and irresponsible way in which the President of the Privy Council (Mr. MacEachen) and the Liberal majority in this House dealt with it yesterday. This is a serious matter and it is literally not only distressing but disgusting to note how this government deals with important matters, totally insensitive to the needs of the country and the people. It is playing games all the time and we were not prepared to see that happen. Since it could not be completed yesterday, because of the action of the government, we were determined that if the government would agree, as it did, the matter would be completed today. It is our hope that before this day ends this debate, hon. members having been given an opportunity to participate therein, will conclude and a vote will be taken, a voice vote or any other kind, in order that what the motion requests will happen. It will then go forward as the unanimous wish of this Parliament.

As has been said by speakers who preceded me, the little spill at Cherry Point, which has poisoned a large part of the beach area of our western coast, is an ominous warning of what faces Canada if any kind of oil tanker route is developed along the Pacific coast of this country. This government ought to have acted, as it was requested by us to act a long time ago, when the decision to build a refinery at Cherry Point was first made. People who know about these matters warned at that time that a refinery at Cherry Point was an ecological time bomb for the west coast of Canada as well as the west coast of the United States surrounding that area. People who know about these matters, and I can only go by what they tell me as I do not myself know, are aware that the currents and the winds are northward, that the dangers to shipping are very great in that area, and that the building of a refinery only 15 or 16 miles south of the Canadian border, right on the coast, not inland, was an act of reckless disregard for the ecological welfare of the people on the west coast of the North American continent, not only of Canada. This government ought to have protested at that time about that refinery being built there.

While I have not made a close study of this matter, it seems obvious to me that the Atlantic-Richfield Corporation built that refinery where it is for purely economic reasons. It was the most northern point on the United States coast, right on the coast at a point as close as possible to Alaska for tankers coming down south. As I have often said about corporations, this corporation was concerned merely about the efficiency of the operation, the profitability of the operation and the convenience of the operation; it was not concerned at all with the ecological dangers of the operation. This is what happens all the time across this continent because we permit these corporations to make decisions purely in terms of the economy with which they are concerned. They took a reckless step that endangered the future as well as the present of society in this country and, indeed, in the United States at the time the proposal was made to build a large refinery at Cherry Point. This government on behalf of Canada should have raised Cain with the United States authorities and demanded that this plan not be carried out.

Because of the importance of this matter we felt that the motion should be debated today. I want to make it clear that although we will give our support to the motion we will also support the amendment by the hon. member for Yukon (Mr. Nielsen), because that amendment adds some teeth to the proposal we want to make to the International Joint Commission.

• (1200)

I am of the opinion that motions moved earlier this week, on one occasion by a member of the Conservative Party and on three occasions by members of my party, were much more relevant and much more important proposals to deal with this problem than the proposal that the matter merely be sent to the IJC. I think also that we ought to have had before us something concerned not only with this minimal spill at Cherry Point but concerned with a total plan about moving oil from Alaska down the waters of our western coast. We should have had a motion, that would have the unanimous approval of this House, that we should go to the government of the United States and say that this country will not stand for large oil tankers going down the Pacific waters. That is the motion we ought to be debating. I shall say a few words about that.

Obviously, there has been collusion between the Secretary of State for External Affairs (Mr. Sharp) and the hon. member for Fraser Valley East (Mr. Pringle). The Secretary of State for External Affairs made a statement that the government of Canada has asked that this matter go to the IJC and the hon. member for Fraser Valley East replied by moving the motion. That is okay. I suppose it is understandable that this kind of politics might have happened. We could have done the same kind of thing. I do not want to sound self-righteous, but I wish to underline this. I could have accepted the offer of the Acting House Leader, the Minister of Energy, Mines and Resources (Mr. Macdonald), last night that we deal with this matter on our opposition day. I could have placed a motion of this nature on the order paper before six o'clock yesterday precisely for that purpose. May I say I gave it some consideration but it seemed to me that that would be crude enough, partisan enough and cheap enough to qualify me to become a member of the Liberal party and that I could not contemplate.

Mr. Sharp: We have not invited you.

Mr. Lewis: On this motion, we must consider the matter in two areas. One is the area of national action and the other is the area of international action, because it must be an area in which the United States and Canada work together. I wish very briefly to go over the government's record in terms of legislation, in terms of regulations and in terms of any kind of really positive action. It will not take me very long to do so. However, it is a very dismal story which ought to be placed on the record.

Two years ago we passed the Arctic Waters Pollution Prevention Act. This act has not even been proclaimed. No regulations have been prepared. The government goes around the country saying: "Look at what we did about

the Arctic. We have a 100-mile zone which we have claimed for the purpose of pollution control". Members of the government point to the law which is on the statute books. An old friend of mine, a Newfoundlander, many years now dead, originally a leader of a trade union, used to say to me that gentleman's agreements "ain't worth the paper they are writ on". A law which is not proclaimed ain't worth the paper it is writ on either. A law of that sort which does not have the regulations proclaimed is not worth having on the statute books because most of the powers are left to the regulations.

Then, two years ago we passed the Canada Water Act. As yet there is not a single water quality management area established in this country. There are no national standards established in this country, and we are faced with something on the statute books which is merely another dead law. Then, we had the land use regulations for the north, but we find as usual that the government yielded to the pressure of the large corporations, their dear close friends, with the result that those regulations were watered down. As a result of this they do not cover the whole Arctic, but deal only with a select area in the Mackenzie River Basin and do not cover the matter of control over the Islands or other Arctic areas. Then, we have the Northern Inland Waters Act which was passed two years ago and proclaimed only a few weeks ago. Under that act we do not have the regulations, either. Not one of these acts is of very much value without such regulations. Then, finally, we have the James Bay development in northern Quebec which apparently is going ahead without ecological surveys having been made which are effective, adequate and conclusive. We will be faced with more ecological damage in that part of the country.

I find that this record is a dismal one. The Minister of the Environment (Mr. Davis) is now in Stockholm. He can make the finest speeches he likes and take admirable steps there. But I must say, from what I read—and I will know more when the conference is over—that I do not find much to criticize in the attitude of our delegation at Stockholm. If he can do that in Stockholm it seems to me he ought to be burying his head in shame because of the total inactivity of the government in the area of ecology, despite the laws it has placed on the statute books. Ecology is now like motherhood. Everybody talks about it. All of us talk about the dangers to the environment. All of us make fine speeches about the quality of life. It is only the government of this country which can do anything really effective about it and the government of this country has done very little—if you can call it even "little"—in the national sphere. In the international situation, in respect of these oil spills, we are in the same dead alley, in the same cul-de-sac, as we are in respect of all international measures.

According to the Secretary of State for External Affairs we have not yet received from the United States any reply even to the request that the matter be sent to the IJC. The TAPS route and the tanker route, which is connected with the TAPS route, apparently has been approved in Washington. I suggest the government is merely bleating pleas all the time like wounded sheep. And, like wounded sheep, they just bleat all the time and do nothing worthwhile about it. I say, appreciating the seriousness of the words I use, that the decision of the authorities in Washington to approve the TAPS route and the tanker route is an unfriendly act against the interests of the people of this country. In our modern world it is not only guns, rifles, canon and bombs which can do damage. In our modern world, I think ecological damage is almost as serious. It is not as quick. It takes longer. The threat to human existence for decades to come is just as great from ecological damage as it is from outright war so long as this war is with conventional arms and not with nuclear arms. It is just as important.

For a powerful neighbour of Canada to disregard—there is no other way to put it—the interests of the people of Canada on the west coast and indeed all the people of Canada, despite requests from us, and to approve the TAPS and tanker routes is almost the equivalent of an act of war. It is almost the equivalent of an act of war. It is an unfriendly act, and I ask the Secretary of State for External Affairs, who is in his seat today as Acting Prime Minister, to stop bleating and to start speaking firmly and loudly on behalf of the people of Canada so that Washington's ears may at last be opened to the rights and interests of the Canadian people.

• (1210)

As I have said, the very building of the refinery at Cherry Point was an affront to Canada and Canada's interests. As I was preparing a few notes for my remarks this morning I could not but recall the statement of the President of the United States when he was in this chamber. I admit that I did not greet him with the enthusiasm that some others in this House did, but I could not help but recall the sweet words of reason and the expressions of friendliness as well as the assurance of our independence that the head of government of our great neighbour uttered in this House. I want to say that as far as the members of my party are concerned, we want friendship with the United States.

However, we say to the president and his advisers in Washington that one of the ways in which that friendship can be made real, practical and relevant for the people of Canada is for the government of the United States to join us in stopping the TAPS route and the tanker route down the Pacific along our west coast. No general words of friendship will hide the unfriendliness if the president and his advisers permit that ecological threat to the wellbeing of the Canadian west coast to take place. I suggest to you, Sir, that this is the kind of approach that this country should take with the administration of the United States.

What we obviously need on this issue is to mobilize the wishes, the desires and the protests of all the people of Canada, and that is what this government should be doing. That is why the motion before us now to send the matter to the International Joint Commission is a petty step, and that is why the suggestions made by the Conservative and NDP members in their motions would have been much more useful. That is why it was shameful of the government to refuse to allow the Committee on the Environment, chaired by a member of the Liberal party who is now the provincial leader in British Columbia, to travel to the west coast to hold hearings, and more recently to refuse a motion requesting unanimous consent that the Committee on External Affairs, which was in the west

at that time, should also hold hearings with regard to the ecological dangers on the west coast.

Those hearings of the Committee on the Environment and the Committee on External Affairs, either or both, would have been a platform and a forum for all the organizations dealing with environment, such as SPEC and other organizations on the west coast as well as representatives of all political parties and trade unions, of farm organizations, of fruit growers, of all the people in British Columbia, of wildlife organizations, of conservationist organizations and of all those deeply concerned with this matter. Hearings held by these parliamentary committees would have given all these organizations an opportunity to appear, to present briefs, and to show their concern, and the inevitable result would have been that the voice of the Canadian people on the west coast would have reached at least the west coast of the United States and also the authorities in Washington.

I suggest that it was thoughtless of the government of Canada not to see the value of that kind of popular support for the position that the Secretary of State for External Affairs boasts about taking with respect to the TAPS and the tanker route. It would surely have helped him in his negotiations with Washington if there were a widespread and loud demand by the people of Canada that the authorities in Washington cease their dangerous and reckless course in this respect. None of these things has happened. The laws are on the statute books but are either unproclaimed or without regulations. The government bleats, as I said, about the tanker route but does nothing serious about it and refuses to give an opportunity for the expression of the popular will in Canada on that subject.

I suggest that this is the reason why we are where we are on this motion. The shipping act and the shipping regulations have not been enforced. They are not strong enough. We do not insist that every vessel, every barge and every tanker that goes down that coast, whether carrying oil or anything else, have the necessary protective equipment and the necessary trained crews on those ships. We let things happen, and as a result spills occur. But worst of all—and I left it for my last point quite deliberately—the government has entirely failed to produce and to develop the contingency plan that we were promised more than two years ago.

I have in my hands a publication of the marine operations of the Ministry of Transport of about a year ago which speaks in general terms about the fact that there are internal federal contingency plans for combatting oil and toxic material spills. But nothing has really happened. The contingency plans have not been put into effect. We have not been told about the existence of any equipment for cleaning up spills that might be in place at Vancouver, at all the ports and all the points along the Pacific coast, and if they are in place we would like to hear about it today. I have not seen any reference to the fact that there is any really modern clean up equipment along the Pacific coast of Canada where it should be. When this small accident involving only 12,000 barrels of oil occurred we had literally nothing ready and available to deal with the mishap and people had to carry bales of straw in order to try to protect their beaches.

[Mr. Lewis.]

All the other things I have mentioned are serious enough, but it seems to me that the failure to develop contingency plans of any worth and the failure to place the necessary protective and clean up equipment along the points where they should be placed, as well as the failure to train the necessary personnel to deal with the mishap, is perhaps the most disastrous and the most indefensible failure of all.

In the document which I mentioned, I notice a reference to a manual of counter measure technology which is being prepared and will be issued in support of the contingency plan. I made inquiries about it this morning. Perhaps I did not go to the right place, but no one was able to tell me that the manual of counter measure technology has already been prepared to go along with the contingency plan. It seems to me that in every one of the areas which concern this life and death matter of ecological quality for the Canadian people the government has been limping instead of taking the steps that the situation required.

I wish to say finally that I and my colleagues appreciate the fact that we are dealing with an issue that is not easy to solve, an issue that is partly international in character, and that therefore we must rely on the willingness of other nations, as well as on our own, in order to do the job as thoroughly as all of us would want to see it done. I am not suggesting that this is a problem that can be solved overnight, or that there is a wand that somebody can wave and end it. I appreciate it will take a great deal of pressure, a great deal of work, a great deal of determination to do some of the things that obviously need to be done. I would not be critical of the government if I saw any evidence of that work having been started, if I saw any evidence of the determination being there. But when I look at this situation both with respect to legislation on the statute books and with respect to the kind of representations the government has made to Washington, I must conclude that there simply is not the determination, that it is in most cases a specious kind of window dressing, the kind of easy going assurance that usually follows the complacency for which the government is now famous.

• (1220)

We shall vote for the motion and the amendment. However, I hope that the government does not think that dealing with this narrow motion, improved by the amendment, but still in a narrow area, ends the concern of the Members of this Parliament about the inadequate activity of the government in the ecological field.

Mr. Speaker: Order, please. I think I should indicate to hon. members that the intention of the Chair at the moment would be to recognize the Secretary of State for External Affairs (Mr. Sharp), and afterwards the hon. member for Compton (Mr. Latulippe) because, as yet, a representative of his party has not taken part in this debate. In any event, we shall cross the bridge when we reach it. I thought hon. members might want to take this into consideration in organizing their work for the next hour or so. For the moment, the Chair will recognize the Secretary of State for External Affairs.

Mr. Macdonald (Rosedale): Stay for the debate, David.

Mr. Lewis: I will be back in a few minutes.

Mr. Basford: You might learn something.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I am sure every member of the House welcomed the motion that is before us today, proposed by the hon. member for Fraser Valley East (Mr. Pringle). When he put that motion forward on a subject that we thought would command the full support of every member of the House, we felt there would be a disposition, as there had been in the past, to accept the motion, to get it approved and to transmit it immediately to Washington, where it was intended to show the full support this House has for the reference to the IJC, and to show also the expression of concern of all members of this House over the consequences of the oil spill on the Pacific coast.

Of course, the result of initiating debate unfortunately has been to change the allotted days, and this particularly affected the Social Credit party. I know this consequence was not in the mind of the member for Fraser Valley East, but it arose because of the insistence upon debating a proposition that I would have thought could have been passed, approved, and sent to Washington immediately, just as other motions of this kind had been dealt with when there was a unanimous feeling of the whole House. However, I should add that even though this has been unfortunate from the point of view of the proceedings of the House, as Secretary of State for External Affairs I rather welcome the views that have been expressed by various members, which show just how deep is the concern about the possible damage to the environment on the Pacific coast.

Many hon. members who have spoken have made very valid points. These, I am sure, will have come to the attention of the United States administration and will help to support the efforts that the government has been making to try to prevent further damage and to deal with crises when they arise. The concern that has been expressed in this House yesterday and today has been growing for several years. Canada has now had direct experience on both coasts of the damage that can be done by relatively small spills or by the wreck of relatively small tankers. Indeed, Mr. Speaker, if I may reply to the leader of the NDP, I think we probably know more, and have had more experience and done more effective work in clearing up oil spills than any other country in the world. Indeed, it is our experience that is serving as a model for many other countries. So, I deny the major premise of the leader of the NDP that Canada has been ineffective. This is simply not so.

Our legislation is a model for other countries, and more than that the action we have taken has served as a model. This is one of the reasons that at Stockholm today it is not only the eloquence of my colleague, the Minister of the Environment (Mr. Davis), nor the laws we have on our books, which are so progressive, but the effective action that has been taken by Canada in the whole field of the environment that has given us a position of leadership at that conference.

Some hon. Members: Hear, hear!

Mr. Sharp: Everyone is aware that these incidents may be the foreshadowing of something far worse. The size of modern tankers has seized the public's imagination. Some dramatic figures on the growth in the number and tonnage of supertankers were given to the House in the debate yesterday.

These tankers are already by far the largest vessels man has ever sent to sea, and all of us think with horror of what might happen if one of these enormous tankers were to break up on our coasts. This is a universal concern. It is not only ours alone. This is not anything that is nationalistic or parochial. We are expressing our concern on behalf of all the people of the world. Already these tankers are delivering massive quantities of oil through or near Canadian waters on both coasts. I understand the concern of the hon. member for Fraser Valley East and of others from British Columbia who have spoken in this debate, but we in the government, while we are concerned particularly about the movement of oil through these narrow waters, the Straits of Juan de Fuca, Georgia Strait and Puget Sound, recognize, as does the United States government, that there are other parts of our countries, of the United States and Canada, in which we are jointly concerned, where there could be the break up of a tanker that would cause great damage to the people of the area affected.

We all know that the demand for oil in North American is growing. We accept new refineries and new transportation routes for ever larger volumes of oil as the pattern of the present and the future. There is very little we will be able to do except to provide for moving that oil on the safest routes, and making provision for dealing with spills which will inevitably occur some time in the future. These are the lines upon which we must take practical action, and these are the lines upon which the government is taking practical action.

The statisticians have given us sober warning of just how often we must expect that this growth will bring trouble in its wake. It does not matter how many precautions are taken, inevitably there is going to be a break up somewhere. This has been the experience in the past; this will be our experience in the future.

Mr. Woolliams: Will the minister permit a question at this stage?

Mr. Sharp: Yes, Mr. Speaker.

Mr. Woolliams: I appreciate the minister yielding the floor so that I may put a question. Has the minister or his government ever taken a position, previous to the United States decision to go ahead with TAPS and the tanker route, that we approved a pipeline in the Mackenzie delta area, down North America into western Canada, into the industrial sections of Canada and the United States? Have you got that far, and prepared an agreement for negotiation with the United States?

Mr. Sharp: Mr. Speaker, my colleague, the Minister of Energy, Mines and Resources (Mr. Macdonald) will be taking part in this debate. I hope the hon. member will stay around and hear what he has to say. He has taken very constructive action in a way that is responsible to the environmentalists of Canada, and that recognizes the problems that have emerged. Every day it seems we hear new threats to the environment. We are unceasingly

reminded by environmentalists of the fragile balance of nature. So much so that the mind becomes saturated. We find the human tendency to close our minds to this bombardment and to look upon it as an expression of the equally human tendency to delight in making people's hair stand on end. I do not think we can afford to get into this frame of mind. These are very real dangers to the environment and we must take the matter seriously.

• (1230)

We are told that the valve which broke on the *World Bond* at Cherry Point on June 4 was open for only four seconds, yet look at the damage that resulted from that three or four second break in the oil line. No wonder the government has repeated over and over again to the United States its concern at the growing risk to the environment of both countries which results from the arrival of large tankers at the Cherry Point refinery.

This concern has been expressed publicly and privately, officially and unofficially, at all levels of the United States government up to and including President Nixon himself. As I told the House in my statement yesterday, the Prime Minister (Mr. Trudeau) discussed the problem with the president during the president's visit in April. At the same time, Secretary Rogers had an opportunity to feel the strength of Canadian concern during a meeting with the Minister of the Environment (Mr. Davis), the Minister of Energy, Mines and Resources (Mr. Macdonald) and myself. Indeed, we gathered together for a special meeting to acquaint Secretary Rogers with the depth of the concern about the possible damage to the ecology on the Pacific coast. We held a special meeting for that purpose alone, so that he would be in no doubt that this was not just a formal representation but that this represented the very serious and deep concern which we had expressed at other levels to the United States government from time to time.

Mr. Diefenbaker: Mr. Speaker, would the minister allow a question for information? What is the basis of the objection of both Great Britain and the United States to the ideas placed before the conference in Stockholm by the Minister of the Environment (Mr. Davis)? What are they opposed to and what will they not accept?

Mr. Sharp: Mr. Speaker, I would have to await the return of the minister, but may I offer a comment on what I understand to be the situation? This is the traditional and long-standing difference of view between countries that have ships and countries that have long coastlines. This is the great contribution that Canada has made—

Mr. Diefenbaker: Having no ships?

Mr. Sharp: —in the development of the law of the sea, to take the lead on behalf of coastal countries to get the law of the sea modified. At Stockholm and everywhere else we are making progress. I am happy that the right hon. gentleman has seen the progress we are making and how we have brought this issue into the open, showing the world that this is a cause in which we are going to succeed.

Mr. Diefenbaker: Progress in crab fashion.

[Mr. Sharp.]

Mr. Sharp: Mr. Speaker, I know the right hon. gentleman very well and I watched the manoeuvres of his government when he had the responsibility. If we are moving sideways he moved backwards.

Mr. Diefenbaker: I might say something, about the manoeuvres of the hon. member when he was a deputy minister.

Mr. Woolliams: Why don't you tell us about pegging the dollar?

Mr. Sharp: Mr. Speaker, if I may, I will proceed with my remarks. The government proposed to President Nixon that the International Joint Commission be requested by Canada and the United States to conduct an investigation into all aspects of the problem. On May 4 and again on May 19 the Canadian Embassy in Washington followed up this proposal in specific terms. Our anxiety on this subject was increased by the announcement at more or less the same time that Secretary Morton had decided to authorize the construction of the Trans-Alaska Pipeline. The resolution unanimously adopted by this House on May 15 which declared that movements of large tankers in the narrow straits of our Pacific coast would be inimical to Canadian interests—which I might add was not the subject of a prolonged debate because we on this side agreed that this should be transmitted to the United States government—was conveyed to the United States government the next day. On June 7, as I reported to the House yesterday, the Canadian Embassy in Washington took up with the state department the Cherry Point incident, including both the immediate questions of compensation and clean-up and the larger questions which we want referred to the International Joint Commission. I am confident that we will receive the official response of the United States soon. Indeed, one of the reasons why I expect that we will is that this very tragic incident has occurred on the Pacific coast.

The actual terms of the reference to the International Joint Commission could be discussed. Should the study be confined to the problem on the west coast, for example, or should it deal with the question of oil shipments to east coast refineries as well? That is a very important point in the reference and it is one I know that would be concurred in by all sides of this House. If we are going to be able to persuade the United States, and this will take some doing, to ask the International Joint Commission to look into the problems arising from the movement of oil on the Pacific coast and those narrow waters, then the United States will also ask that in other parts of Canada and the United States in which Canadian oil moves, the same problems be considered. These are matters of detail. We are prepared to discuss them with the United States in a spirit of accommodation. It would take a certain time to frame the reference to the International Joint Commission properly. This is not surprising if it is to be a serious, thorough study.

What we want, of course, is the whole problem; the problem arising now where there is movement of oil and, for the future, while consideration is being given to moving big tankers into these narrow waters. We would hope that the International Joint Commission would agree with the views expressed in this House that this is

indeed a very stupid thing to do. We believe that the Cherry Point refinery can be serviced from the land. It is not the building of the Cherry Point refinery that is the trouble, it is how it has been supplied. It has been our contention to the United States government that the refinery can be supplied from the land just as effectively as from the sea. The commission will not be helped, nor will the two governments, if its task is badly defined. But proper regard for precision should not be a cause for delay. What we have been trying to impress on the United States is our sense of the urgency and importance of the question.

We can be confident, too, that an investigation by the International Joint Commission will be constructive. We have only to look at the excellent work done by the International Joint Commission on the Great Lakes where the report it made has been accepted by both governments and where machinery has been established for clean-up. Indeed, we have a case at the present time of the break-up of a tanker on the Great Lakes, the *Sydney E. Smith* which is being handled in accordance with the procedures agreed to by our two governments. The vessel is in American waters and we can see that the Americans are observing the agreements that have been made for dealing with emergencies like this.

We can be confident that an investigation by the International Joint Commission will be constructive. It has been our experience in these matters that we can persuade the United States to go along. The International Joint Commission is a valuable international instrument. It has proven its worth over half a century in a series of cases that have been valuable to Canada and the United States. If these relations between our two countries are to be dealt with we need permanent machinery of this kind. I hope there is no suggestion in this debate, and I have heard very little, that reference to the International Joint Commission is not one of the most useful and constructive things that can be done. That is why I was happy to see the hon. member for Fraser Valley East pinpoint his suggestion on reference to the International Joint Commission. I have looked at the other motions that have been put before this House and I suggest that this is the most effective action that this House could take in supporting the concern—

Mr. Lewis: Mr. Speaker, if the minister will permit a question, I should like to ask whether the next time he drafts an appropriate motion he might hand it to somebody else in the House.

Mr. Sharp: Mr. Speaker, I can think of no one more suitable than the hon. member for Fraser Valley East who feels the interests of British Columbia more effectively than any of the NDP members from British Columbia.

• (1240)

Mr. Pringle: Mr. Speaker—

Mr. Speaker: Order, please. The hon. member for Fraser Valley East rises on a point of order.

Mr. Pringle: Mr. Speaker, I categorically deny the statement made by the leader of the New Democratic Party. I wrote the motion in pencil first, and had it typed.

Mr. Sharp: Mr. Speaker, this is an example of the superior literacy of the members of the Liberal back benches. Apparently, in the NDP all these things are inspired from the top. We have some grass roots movement of which we are very proud.

The government is conscious of the growing number of environmental problems Canada shares with the United States. Many of these will have to be attacked from a new angle. We are fortunate, however, in that a certain range of these problems having to do especially with pollution of boundary waters can be effectively tackled by an experienced yet adaptable body, the International Joint Commission. For this reason the government foresees a growing role for the IJC in future.

If I may digress for a moment, may I talk about the amendment proposed by the hon. member for Yukon (Mr. Nielsen) and make some further comments on it. I think I understand the spirit in which the amendment has been put forward. It seeks to support the IJC and make sure that it has the necessary resources with which to carry on its valuable work. This motion, of course, cannot add to the powers of the IJC; nor can it instruct the United States government to make resources available. As the House no doubt understands, the IJC must work on a joint reference and not on a single, unilateral reference. So far as I am concerned, and I think I speak for the members of the government in the House, we will not oppose this amendment. We will support it in the interests of unanimity, which I know hon. members of the House would like to see.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: What a sacrifice!

Mr. Alexander: That is what one might call sweet reasoning.

Mr. Sharp: Mr. Speaker, you know, we are approaching this in a spirit of non-controversiality and in the spirit of trying to treat this problem as a serious, national problem; we do not want to introduce political overtones such as have been introduced by those on the other side of the House on many occasions. We want this resolution to be approved unanimously. I want this IJC reference to be supported by all members of the House. It is in that spirit that I support the amendment, even though I did not have a chance to draft it.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Fold your wings, Mitch.

Mr. Sharp: If I may speak for Canada, we have made provision to put greater Canadian resources at the disposal of the commission. We have urged upon the United States the good sense of building upon the commission's previous work on pollution in internal boundary waters by a reference which would deal with the pollution danger for the first time in coastal waters. This is the first time that a reference of this kind has been attempted, and we are putting all our persuasive powers behind it in an effort to make the United States recognize that this area in future will be just as important as the Great Lakes have

been in the past. Meanwhile, the work that the two governments have undertaken in contingency planning in improving navigation systems will be vigorously pursued.

Nothing could be more useful in lending weight and conviction to the Canadian case than that I should be able to convey to the United States government the unanimous wish of the House that this study should be undertaken.

Mr. Woolliams: I wonder who wrote that.

Mr. Sharp: This House does not often express its unanimous view in this way. Actually, on three occasions, recently, has the House supported the government in its representations to the United States; that is a clear indication, I think, of the way in which our foreign policy and relations with the United States are being handled, because we have been able to obtain the support of all parties in this House. It is striking to note that the resolutions we sent to the United States on Amchitka and the resolution of three weeks ago which dealt with the risk of oil pollution from tankers were unanimously approved by this House. I believe that this will indicate to the United States government that the government of Canada is speaking not only as a government party, but that it is speaking for the whole country, and is speaking with the support of all political parties in this country. It is interesting to note that all three of these resolutions have been directed to the same subject. That fact will help to support the position we are taking.

The conviction with which British Columbia members on both sides of the House have spoken in the present debate demonstrates that this is not an issue on which opinion on the west coast is divided. However, the conviction with which members from other provinces have spoken demonstrates equally that Canadians see this as a national, not a regional issue. It is in this sense that I would like to be authorized to speak to the United States government on behalf of the House. Therefore, I urge the unanimous adoption of the motion, as amended.

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I am glad to have this opportunity of saying a few words on the motion under review because we are in favour of it, even if it gave rise yesterday to some disagreement. We consider that it is important and, therefore, must be debated.

Mr. Speaker, this is an international problem which cannot easily be solved. Moreover, this already complicated question has been further aggravated by the recent accident which launched a wave of protests from the citizens of British Columbia. We cannot blame them because we are all duly concerned with the protection of our waters and want to fight pollution with every means at our disposal.

However, we wonder if the government had indeed taken all necessary precautions to prevent this accident.

• (1250)

We deplore today an accident that concerns all Canadians, especially the citizens of British Columbia, for it is said that it will cause irretrievable damage to the environment.

As a matter of fact, it is always the same thing. Surely there must be a way to solve that problem which the government has been considering for a long time. Indeed, it created a committee for that purpose. There were also many discussions about it but nothing has been accomplished yet.

The government and the international body concerned are studying the pipeline question. I believe this will be a means of controlling pollution and preventing the danger we are exposing ourselves to by letting big tankers in our waters for if there has been one accident, there could be others, liable to cause irretrievable damage. That is why we were willing to have the hon. member put his motion. In fact, we hope the discussion can take place because we too believe that the motion was a very important one and should be the subject of a debate.

When it comes to water pollution, air pollution or pollution of the general environment by cities discharging their sewage into waterways, we must be prepared to spend a great deal of money to cope with such a disaster. Therefore we ask the government to take the proper measures to protect the public.

If the government or international organizations are delaying the building of pipelines for the movement of oil, it is because the financial question is not settled yet. Therefore, since the opportunity arises, we ask once more that the necessary steps be taken to issue credits at low interest rate in order that these works may be carried out.

If these projects are physically possible I can't see why the government would not make them financially feasible. All delays in building and improving houses that should be done in Canada are due to financial difficulties. As a matter of fact, if we have the engineers, the building materials and all other necessary elements to proceed with these improvements, we can assuredly find ways of financing them.

There are references to improvements, pipeline construction and various other means likely to better the situation, but nobody dares deal with the financial issue since nothing is possible without the necessary funds.

Since it is a financial matter, the government should appoint an ad hoc committee that would seek to find the financial means needed to realize such projects. If such projects were feasible, it should certainly be possible to finance them with means others than those we are using today.

For instance, let us consider the St. Lawrence Seaway Authority which cannot pay back its debt or the interest on it. Yet it should be a profitable enterprise, as any other public undertaking for that matter. When an enterprise is not profitable, it means that other organizations are taking advantage of that fact.

Some projects that could provide jobs without anyone getting saddled with debts that cannot be repaid on account of exorbitant interests on capital, are postponed. If investment funds were provided interest-free, we could realize any project useful to this country and to foreign countries as well since quite often international matters are involved.

[*English*]

Mr. Speaker: Is it the wish of the House that the Chair call it one o'clock?

Some hon. Members: Agreed.

Mr. Speaker: It being one o'clock, I do now leave the chair until two o'clock.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, in rising to speak this afternoon on a subject as serious as the one before us, it is not my intention to engage in reproaches and recriminations in connection with procedural matters. I say this at the outset, because wherever I have gone in the last few years, young people, young men and women everywhere, are concerned about the dangers of pollution, whether pollution of our waters, of our land or of the air. Then, too, there is noise pollution to be considered. As I say, young men and women everywhere are concerned about this issue and they want us to be concerned, too. Sometimes these young people have hang-ups. They take tough positions and act with some degree of violence in an attempt to get us to do the job we should be doing here in the House of Commons.

Before I get into the meat of my address, I should like to refer specifically to the motion before us. This is the motion moved by the hon. member for Fraser Valley East (Mr. Pringle)—he was originally an Albertan and this, of course, does a little for his character and his calibre:

An hon. Member: Explain.

Mr. Woolliams: The motion reads:

> That in the light of the damage in Canada and the United States arising from the recent oil spill at the Cherry Point refinery, this House support the urgency of the reference to the International Joint Commission of the environmental consequences of the movement of oil in the narrow waters of the Straits of Juan de Fuca, George Strait, and Puget Sound both now and in the future and of the measures necessary to minimize the hazards, and requests the Secretary of State for External Affairs to immediately convey the terms of this motion to the Government of the United States.

Then, there was an amendment proposed by the hon. member for Yukon (Mr. Nielsen), which I had the pleasure of seconding. It read as follows:

> That the motion be amended by adding at the end thereof:
> "and that the International Joint Commission have a mandate to utilize and requisition such financial and other resources of Canada and the United States as will best and soonest restore the ecology and environment on the West Coast to pre-spill conditions".

Once again, we have seen evidence of the serious consequences of an oil spill in waters near the Canadian coast. It seems to me that the young people have put their finger on one of the great dangers facing mankind. I agree with the hon. member for York South (Mr. Lewis) when he says that man, having invented and developed nuclear weapons of all kinds, is now in a position, by pressing buttons, to destroy his own species. However, I agree also with this young generation which has reminded us so forcefully that if we do nothing to control pollution, for example, pollution of the sea itself, so rich in resources of every kind, we shall face a danger equally great. We shall, in fact, be sounding the death knell of humanity on this earth. If I might be personal at this point, may I say this is one of the concerns of my son, Brian Woolliams, 16 years of age, who often discusses it with me and other members of the family. He, and others like him, are deeply concerned. We must all be concerned about this issue.

I listened today with great interest to the Secretary of State for External Affairs (Mr. Sharp). He said the government was looking into the situation. I hope they will not continue to "look into it" much longer. In 1968 they were given a mandate. We want doers, not lookers. It is time for action rather than words and inertia. This is why we have been asking questions continually over a period of years. We want to come to grips with this subject. We have been exploring for oil and gas in Canada's north for 15 to 20 years, and we know from reports from the United States and Canada that vast discoveries of crude petroleum and natural gas have been made in the Arctic. We have known for some time that in this modern world, with its automation, there is a great demand for energy in every country, including the United States, Canada, Britain and France.

• (1410)

I do not intend to present any recriminations today because this is too serious a subject to become involved in procedure. This is probably the most serious subject I have ever discussed in the House of Commons, and I refer to pollution. We had our procedural wrangle yesterday. It is not now time for another such discussion. It is not time for the government to play tricks, it is time for serious thinking.

Let me now come to grips with the subject I wish to discuss this afternoon. We know there have been discoveries of crude petroleum and natural gas in Alaska and in Canada's north. We know that the United States, with its industrial might, will demand and will get this potential energy. This government has known since it came into power in 1968 about these discoveries in the north, and must have realized that this energy would have to be moved through some media, by pipeline, tanker, airplane or train. This government has known for a considerable length of time of vast crude petroleum discoveries in Alaska and that it was necessary to move that oil from Prudhoe Bay to Anchorage or Valdez. The United States has had this problem on the tracing board for some time. Perhaps I should explain what I mean by that expression in view of the fact that when I used it this week the Prime Minister (Mr. Trudeau) said he did not know of the board to which I was referring. This is a term used by engineers. They put their ideas on paper and then transfer them into plans for pipelines, and building of roads and so on.

I am glad to see that the right hon. gentleman, the hon. member for Prince Albert (Mr. Diefenbaker) is here, because it was his government that gave us the great vision of the north. His government started that great development now taking place in the north. Many people

laughed, including a former Prime Minister, Mr. Chevrier and Mr. Pickersgill. They all laughed about that vision which has brought about this great development. This government has known for a long time that we must move these vast quantities of crude oil from Prudhoe Bay down to Anchorage, and from there by some other means to Seattle and other places in the United States. Many speakers have pointed out that this is one of the most dangerous shipping areas to be found. It is very dangerous in the area of Cherry Point where this leakage occurred.

I come from a province whose economic foundation has been based on energy since the 1940's. Agriculture is an important industry in that province, probably the primary one, but natural gas and oil have lead to the building of urban centres. Many young men and women are leaving the farms to find employment in these large cities built from the material wealth of that energy. Perhaps this is why I am so concerned about this matter. I realized immediately this government was elected that the time had come to find out whether this government had a plan for moving this energy. There is no point in ciriticizing or being worried about the ecology of the sea because of potential spills or leakages unless you are in possession of scientific fact. We have spent a great deal of money on many ridiculous things when we should have been taking advantage of the human resource of this country, putting university graduates to work on finding answers. Had this been done the government would not be floundering today without answers.

I asked the Secretary of State for External Affairs (Mr. Sharp) whether he had suggested to United States authorities that instead of using a tanker route down the B.C. coast they would consider an inland pipeline route. I asked whether he had come to any conclusion based on scientific fact that it would be better to pipe that crude petroleum and natural gas out of the north than ship it by tanker. I asked whether he had scientific information showing that a pipeline would be safer than the use of tankers. Let us remember that one of these methods will be used. That energy will be moved out of the north and the United States is going to move it to its industrial centres. Regardless of what the hon. member for York South (Mr. Lewis) says, the United States needs that energy. Canada is a fast-growing industrial nation and it will require this energy in the very near future.

On April 27, 1971 I directed this question to the Prime Minister as recorded at page 5258 of *Hansard* for that date:

> Mr. Speaker, the questions directed to the Prime Minister indicate how complex and divisive this problem is. I do not mean division on the part of the government but rather the complexity resulting from the pollution factor, economic factors and the defence aspect mentioned by the hon. member for Calgary Centre. Will the government now consider setting up a feasibility study by the best experts in these fields and Members of Parliament and Senators in order that we can get together on this subject, work together as a nation and come up with the right answers as a basis for our submissions to the United States?

This, in itself, is an indictment of this government, because it has no plan and has not even indicated that it prefers the pipeline route down the Mackenzie delta. It has not said it prefers the use of tankers down the coast of Canada. I suggest the reason the government has not said anything is that it is frightened of the electorate. The government cannot play politics for too long with this issue, it must come to grips with it.

An hon. Member: Do you know something?

Mr. Woolliams: Somebody asked whether I know something. I hope when I have finished that the Parliamentary Secretary to the Minister of Justice will appreciate this problem. In answer to my question the Prime Minister said:

> Mr. Speaker, we hope that in respect of all questions affecting Canada's future we can work together as a nation, but as a result of the way the parliamentary system has been set up there is one executive called upon to take its responsibilities, and that we intend to do.

In other words, the Prime Minister said this government would take a decision, but no decision has been taken as yet. No feasibility study has been carried out. Up until last week I had a question on the order paper seeking information in respect of who was the head of the task force. I wondered whether this was being left to private enterprise, or whether the task force was made up of people from private enterprise, from the Department of Industry, Trade and Commerce and the Department of Energy, Mines and Resources. I wanted to know who was the head of the task force.

My first indictment of the government is that there has never been a proper task force set up or a feasibility study made so the government could make a decision. That is why this government is floundering, and that is why the Secretary of State for External Affairs cannot give answers. I do not expect to get answers in this regard from the new Minister of Energy, Mines and Resources (Mr. Macdonald) as he is a new minister and has not made any speeches on the subject in the House since becoming minister. He has made his speeches on an extramural basis outside the House. I will be very surprised if he comes up with any answers today as to how this energy is to be moved; that is by pipeline, tanker, train or aircraft.

• (1420)

Let us see what some of the other questions are which were put. I am referring to March 11 of the same year as recorded at page 4163 of *Hansard*. At that time I said:

> Mr. Speaker, I should like to direct a question to the Minister of Energy, Mines and Resources. Normally I would have put it to the Minister of Indian Affairs and Northern Development but he is not here.

One of the great troubles with the question period is that only half the ministers are here. I went on:

> As the Minister of Indian Affairs and Northern Development has stated that the government would entertain a United States project to build a pipeline down the Mackenzie Valley through the Prairies, has the Canadian government set down terms under which Canadian labour, equipment and pipeline supplies will be used if such a project is undertaken by the United States.

Now, what was the answer by the former Minister of Energy, Mines and Resources? He said:

> Mr. Speaker, I think the guidelines issued last August, which represent the government's position in respect of a pipeline, were very clear in this respect. Guideline number one, I believe, indicates there will be a clear preference for maximum Canadian

content in any application that is made in respect of the construction of a pipeline.

Then, I asked:

Mr. Speaker, is the minister in a position to advise us whether there have been any discussions with the governments of Alberta and Saskatchewan—

The answer was "No". Finally, on March 11, 1971 the Minister at that time said they did not know whether or not they were favouring a pipeline. The reason was they had no feasibility studies which the government had supported and laid before Parliament as well as the Canadian people.

Now, I shall go to the questions and answers recorded on March 5, 1971. I asked five questions on that day and received the same kind of wishy-washy answers. There was no decision. I said:

Yesterday the Secretary of State for External Affairs stated that no decision had been made by the United States authorities in reference to the pipeline from the rich Alaska northern slopes to Valdez.

Of course, that is dealing with TAPS.

In view of the fact that a consortium of companies in the United States has already stockpiled pipe for the building of such a pipeline, is the minister aware of that and is he now aware of the decision made by U.S. government authorities to build such a pipeline in view of the stockpile?

I advised the government in that question that according to reports from official places in Washington that United States had been stockpiling the pipe to build TAPS so that the crude petroleum could be moved by tanker down the west coast of British Columbia. What was the answer? There is no point in asking questions if you do not receive information and use the information once you receive it. The Secretary of State for External Affairs, then the Acting Prime Minister, more acting than Prime Minister, said:

No, Mr. Speaker. It may be that there are such stockpiles; I do not disagree with that. I do know that no decision has been made. I would like to tell the House that the United States Secretary of State has indicated to me that he now agrees to enter into consultations with us on this question. I am sure he would not have done so if a decision had already been made.

The United States had already stockpiled the pipe. The study had been completed and they had decided to build the pipeline, but they thought they would soothe the Secretary of State for External Affairs. As I listened to him, I decided that he must be the most optimistic minister I had ever heard. He reminded me of a story I was told by a fellow who said that his 85-year old father married the woman next door, who was 70 years of age, and five days later purchased a house near a school. He was very optimistic. That situation is similar to the one we face when dealing with the jurisprudence of the Secretary of State for External Affairs.

Mr. Pepin: That is not optimism; it is potential.

Mr. Woolliams: I will leave it to hon. members to draw any conclusion they want from that, but it did seem to me to be optimism.

Mr. Nielsen: He has no potential, so it must be optimism.

Mr. Woolliams: At that point I asked the minister this question:

In light of the answer, can the Acting Prime Minister say whether the Canadian government has made up its own mind as to which transportation route would be the best in Canada's national interest, that is, down the Mackenzie delta or to the port of Valdez and then by tanker to the United States? What is Canada's position and how did the government arrive at it?

The minister could very briefly have said that they did not have an answer. Let us hear what he did say:

I thought the hon. gentleman would have learned by now from the repetitive statements I have made in the House that the Canadian government feels there is a very serious risk in the movement of oil by tanker down the Pacific coast, and it would not be in the interest of either of our two countries.

Well, what kind of nonsense is that! I said:

Mr. Speaker, I am well aware of the minister's statements in that regard, but does the government then endorse the building of a pipeline down the Mackenzie Valley and through the Prairies to the industrial centres of the United States?

The minister said:

I am sure that as a member from Alberta he would wish me to be in as strong a bargaining position as possible in relation to the United States, and to ensure that if an application is made it is one that meets our requirements and not only those of the United States.

The point is that now the United States is going ahead with this project. The expression one might use would be that it is too late to close the barn door after the horse has run away. This is what the government has been doing continually.

I want to deal with some more questions I asked on this subject to show the lengths to which all of us on this side went to try to obtain an answer to a very serious problem of pollution about which all members from British Columbia and all members here were concerned. Of course, they should be concerned. They should be concerned about action on the part of the government. I do not know what hon. members opposite say to their minister in the caucus but I would sure like to be there some time.

An hon. Member: Come on over.

Mr. Woolliams: The hon. member says: "Come on over". I could not stand the vacillation and procrastination. We could certainly do without the Minister of Energy, Mines and Resources (Mr. Macdonald) because he got the House in such an uproar last night that the Speaker almost had to use his prerogative to adjourn the House.

Mr. Macdonald (Rosedale): You mean the opposition.

Mr. Woolliams: I will not become involved in an argument with the minister. On March 10, 1971, as recorded in *Hansard* at page 4135, I asked this question:

The minister suggests that various departments are studying this matter. Will he at this time, or perhaps later on motions, make a statement indicating the evidence on which he bases his recommendations or his opinion of that evidence? Would he give us some indication of the type of personnel who provided the evidence on which he bases his opinion?

This is the answer of the Minister of Indian Affairs and Northern Development at that time:

Mr. Speaker, we have been considering this problem for some time—

He is like the minister today, who says the government is still looking. What they are looking at is the pollution which has now occurred. He said they have been considering the problem for some time. This is a most considering government.

Mr. Basford: I thought you said you would be a statesman this afternoon!

Mr. Woolliams: I overlooked a few remarks I could be making. I say to the former Minister of Consumer and Corporate Affairs that it is difficult to be a statesman when one is involved in a problem like this and no one will come to grips with it. The Minister of Indian Affairs and Northern Development said:

—I set up the first category of restrictions on construction and we said repeatedly that final instructions would be issued, we hoped, in the course of the coming months.

Coming years or coming months. So, the merry-go-round goes on. On many occasions the Prime Minister (Mr. Trudeau) replies by saying: "Let us have your viewpoint". We told him that we need a study. If the study is made, we will be able to negotiate with evidence and with wisdom with the United States, because they will not stop the tankers if the pipeline is built. All the talk in the world will not stop them. It will be too late, then. On March 19 I asked the following question:

• (1430)

Mr. Speaker, may I ask a supplementary question. Can either of the ministers responsible advise whether they now have a definite assurance from the United States that the Prudhoe Bay to Valdez pipeline will not be undertaken until negotiations have been continued and furthered in relation to the Mackenzie Valley route?

The minister said:

Mr. Speaker, I do not think there is any such assurance. This is an internal matter for the United States of America.

Yes, but it is a very important matter to Canada because what has happened has been only a taste of what is going to happen along the British Columbia shoreline. The government's own members have said that. They agree with me. The minister went on to say:

The Secretary of State for External Affairs has made Canadian concerns known in regard to marine shipping off the British Columbia Coast. I think all authorities in Washington are aware that we should like consideration to be given to the Mackenzie Valley route, subject to Canadian rules and Canadian decisions, before the Valdez decision is made, but certainly we cannot bind the United States government to await that decision.

The only binding has been that this government has ended up with no answer and no information.

On May 4, 1971, I asked the following question:

Mr. Speaker, in light of what the Secretary of State for External Affairs has said about the meeting in Washington between Canadian and United States officials, may I ask if the Canadian delegation in its official capacity suggested any alternative route or method for transporting this crude petroleum? If they did, on what study did they base their recommendations?

The Secretary of State for External Affairs said:

Mr. Speaker, the short answer is no, the Canadian government did not suggest an alternative route.

[Mr. Woolliams.]

That is the answer, that the Canadian government has not suggested anything to the United States. they have stood by, doing nothing, saying nothing, making no study, knowing nothing, and of course making no decisions. The minister went on to say:

The delegation that went with the authority of the Canadian government went to discuss the ecological dangers of building the TAPS line, which I think is the correct procedure at the present time.

It does not take much training or much brains to know that. I can quote certain figures here of other spills that have affected Canada, such as the one down in California, and the one in Nova Scotia, the *Arrow*. We all know that it does not take much training or brains to tell the United States that it is dangerous to ship oil down the shores of British Columbia. The government sent a large staff to the United States to tell the authorities that. I imagine that the U.S. authorities listened, and I imagine that they were overwhelmed with the wisdom they received. I say that if the government had taken up our suggestion made three years ago, made a proper feasibility study and collected evidence, they could have come to a conclusion as to which route would be safer from both the ecological and economic points of view. I say to the government that they might present their views to the U.S. authorities any way they like, but the United States will go ahead with the tanker route because they will not wait for a wishy-washy, procrastinating government of this kind.

My next question to the minister was:

Mr. Speaker , may I ask a supplementary question. What knowledge and studies did the Canadian officials use in discussing this question with the United States officials? What study did Canadians use?—

The minister answered:

Mr. Speaker, the Canadian government has had considerable experience in cleaning up oil spills on the ocean.

Well, it will have a lot more experience because it has no solution to the problem that causes them. That is where the government has failed us to a high degree; it has failed every Canadian. The solution of this problem is not to be left to big corporations with selfish interests. Certainly, they have selfish interests when they are in business because they are in business to make profits. The government of Canada should deal with this matter because it concerns every Canadian and his welfare; it concerns the survival of mankind, not only here but throughout the world. The government should be able to tell us today without any equivocation or any evasion what route they plan to follow, what they said to the United States, and what hard bargaining occurred. No hard bargaining occurred. It is a joke.

On May 3, 1971 as recorded at page 5427 of *Hansard* I asked the following question:

Mr. Speaker, I should like to ask the Acting Prime Minister or the Secretary of State for External Affairs in either capacity whether the government officials at today's talks in Washington are expressing the position that Canada must be a formal party to the discussions on the initiation of the TAPS route or any other route?

At least, we should have been part of the discussions. The Secretary of State for External Affairs said:

Mr. Speaker, the purpose of the meetings that are being held in Washington is to discuss the concerns that we have about the

ecological dangers that arise from the building of this pipeline, and we will be discussing with the United States how best the interests of the Pacific coast of Canada and the United States can be protected.

Did that mean that the government supported TAPS? I want the minister to tell me that this afternoon. I want him to tell the Canadian people whether he supports the TAPS line or the Mackenzie Valley line. Let us have it without any evasion or equivocation.

Mr. Diefenbaker: He isn't here.

Mr. Woolliams: But the Minister of Energy, Mines and Resources (Mr. Macdonald), who had a little argument with me a moment ago, is here. My next question was:

Perhaps the Secretary of State for External Affairs did not quite get the import of my question. What I am asking is whether those officials are expressing the position that Canada must be a formal party—I mean formal party—to the discussions on the initiation of the TAPS route or any other route?

The minister answered:

Obviously, Mr. Speaker, this is a decision that has to be made by the United States.

At this point he let the cat out of the bag. This decision was left to the United States. They left Canada out of it and made the decision themselves. We heard the minister say that the decision was left to the United States. If there should be a spill, the government will then make a formal protest. That will clean up a lot of White Rock, that will clean up a lot of sea, that will clean up the damages done to the birdlife, fishlife and other life along the shores.

Before I leave this point, I want to say again that for four years we have pressed the new government—because the former Pearson government did nothing about it—to make a study, to supply us with evidence, to tell us who is heading the study, to give us the facts, and to give us the decision, painful as it may be. Whatever decision is made, as somebody said earlier today, it will not be an easy decision. I will repeat that this energy will come the north whether this government wants it or not, and yet they have not even met or negotiated with the United States.

Now, I will go on to another subject which was touched upon briefly today, that is oil pollution caused by tankers carrying crude petroleum on the high seas near the shoreline of Canada. This, in conjunction with the fact the consumer faces an extensive increase in the price of his gasoline, are the two foremost problems facing the federal government today. Those were the words I used once before in this House. Neither unemployment nor the economic welfare of the nation can be separated from pollution by oil, or the cost of the product to the consumer. The point I am making there is obvious. One can take an extreme, personal stand and say that ecology is everything and that we must not move anything. If mankind had led that kind of life since the beginning of time we would not be here. There must be some development, but also there must be some rules on how the ball game is to be played. There must be a balance between pollution control, the economic welfare of the nation, consideration of the gross national product, and employment. The question is linked with the development of the north.

As I said before, in 1957 the Progressive Conservative Party created and started a northern vision which has led to a vast energy exploration in the north, and in consequence huge discoveries of natural gas and petroleum have been made both in northern Canada and in Alaska. There is a growing demand for and a shortage of fuel energy and gasoline in the United States, and indeed in Canada. In fact the National Energy Board recently refused permission to enlarge the amount of natural gas exported, but I will not go into that matter at this point except to say that when representatives of the National Energy Board appeared before a standing committee of this House they said they were starved for staff to provide them with scientific advice. Yet when we ask the government questions, it replies, "We are leaving it to the National Energy Board." But the government will not give the National Energy Board the proper staff so that it can get the information on which to base decisions.

• (1440)

In the light of the hard fact that the Mid-East won an unprecedented price increase for its crude petroleum, the industrial centres of the United States and Canada have turned their thirsty oil eyes to the north for the purpose of replacing Mid-East exports. The consumers of both countries are seeking a reasonable price now and for the future, and to achieve that aim plans are being consumated to transport crude petroleum reserves and other by-products to the industrial centres of both countries. How is this to be done? There has been no study, no decision. To date the greatest proven field for crude petroleum appears to be on the northern slopes of Alaska, while an extensive find of natural gas has been located in northern Canada on Christian Island.

An early start on a pipeline in Alaska is now being planned in earnest, if not already under way, as a step to keep the United States and indeed eastern Canada, from being too heavily dependent on imports from the Mid-East and elsewhere. It is said that there is a reserve of 10 billion barrels of crude petroleum in the northern slopes of Alaska, and I might add that these statistics were given out two years ago.

There are two routes for transporting the crude petroleum to the industrial centres of North America. There are two serious problems that must be weighed carefully in the decision making on how to get this oil safely and cheaply from Alaska to the midwest of the United States. That is the decision the government will not make, and has not made for the last four years. It is a decision it will not make until it calls an election. First, the question of our economics, and still more important, the question of preservation of our northern ecology must be considered and weighed well. That is why a study is necessary.

The first method would be to build a pipeline from the northern slopes of Alaska to the port of Valdez, and then to take the oil by large tankers down the west coast of British Columbia to the United States. That seems to be what will happen at this time. The second method and route would be to build a pipeline from the Alaska slopes down the Mackenzie delta across the Prairies to the midwest, sharing the flow in the line with the oil supplied from the other proven provincial fields in Canada.

Oil Pollution

A massive leak from a pipeline, difficult to construct and maintain over and through the permafrost territory, could in itself destroy the northern ecology. In conjunction with the ecology problems, the two transport methods and routes would have to be weighed in light of the economics of getting the product to the consumer. In brief, which method and route would be more beneficial to Canadian consumers, and indeed to the ecology of North America? It is just that simple a question, but it requires a decision. I hope the minister will make an announcement today. As I said, Mr. Speaker, the Conservatives for some time have recommended that a study be carried out.

Tanker oil pollution near the western shoreline of Canada, in conjunction with the increase in the price of gasoline, are among the foremost problems facing Canadians. You cannot divorce oil pollution from unemployment or the economic growth of the nation, but it can be done with judgment, with rules, regulations and decisions based on facts. As I said, Mr. Speaker, there is an increasing demand for fuel and gasoline throughout the world.

Now, I want to turn for a few moments to deal with the question of the dangers that have arisen simply because no decisions have been made. On February 15, 1970, the Liberian tanker *Arrow* was wrecked on the Cerberus Rock in Chedabucto Bay off Nova Scotia. Only 1.3 million gallons, of an estimated 2.5 million spilled into the water, were recovered. The remainder contaminated 190 miles of shoreline in the bay, miles of beaches on Sable Island 100 miles away, and 4,800 birds lost their lives. The *Arrow* was Canada's major oil spill disaster. What happened? Who paid the shot? Read the Henderson report. The Canadian taxpayer paid the shot. They cannot determine who owned the tanker. There has been no way of measuring the damage, and so the taxpayer has paid the shot.

At the beginning of May U.S. Interior Secretary Morton issued preliminary approval for a go ahead of the TAPS tanker system to ship oil from Prudhoe Bay to Valdez by pipeline and from there to the west coast by giant oil tankers. One terminus for these tankers is Cherry Point in the state of Washington, which is exactly 20 miles away from the place in Canada which is polluted today. The tanker *Arrow* was 18,000 tons dead weight. The tankers for the TAPS route are to be over 100,000 tons dead weight. What will our shoreline be like if one of these large tankers is wrecked? Where will the government be then? Where will its supporters in British Columbia be then? It is a sad story.

The Acting Speaker (Mr. Laniel): Order, please. I regret having to interrupt the hon. member, but the time allotted to him has expired.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I am glad to have the opportunity to follow the hon. member for Calgary North (Mr. Woolliams) in this debate because I can put to him directly the very extensive record, which has already been outlined in this House, of work done both with regard to the question of the Mackenzie Valley pipeline route and the dangers involved for Canada's west coast because of the TAPS route.

[Mr. Woolliams.]

The hon. member made a number of points, saying there has been no indication on the part of the government of its views with regard to the TAPS route, that the government has not undertaken any feasibility studies with regard to the Mackenzie route, and has failed to let the United States government know its views. I am glad to have this opportunity to point out to the hon. member, from documentation tabled in the House, and from statements made in the House and outside it, that on all three points he is dead wrong and his assertions to the House are all false.

Dealing first with the question of feasibility studies, he said that the Conservatives for some time had recommended a feasibility study. If the hon. member was on the ball and was doing his job, Mr. Speaker, he would know that on April 18, 1972, I tabled in this House copies of documents dealing with 30 various aspects of a feasibility study preparatory to informing the two agencies of government concerned with regard to the Mackenzie valley pipe line.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): These are studies that have been under way for the past three years, and that we would hope to have finished by the end of the summer season. This has been indicated repeatedly. I suppose the only way to get a message across to the hon. member would be to have a chisel, engrave the message on a tablet of stone, and hit him over the head with it, because he does not learn easily. This question has been under extensive study. Over $15 million have been expended to put the government into a position to make a judgment about the Mackenzie valley pipeline. As I have said repeatedly in this House, Mr. Speaker, at the end of this year when the companies themselves are ready to come forward, we will be in a position to evaluate proposals for a Mackenzie valley pipeline. So, on the first of the hon. member's points that there has not been any preparatory work, he is dead wrong. If there has been any lack of preparatory work it has been by the hon. member in preparing for his speech. He just has not done his homework.

The hon. member also said that I have made no speeches in the House on this question. I spoke extensively, in fact probably too extensively on it, in the Throne Speech debate. I reviewed the question extensively—

Mr. Woolliams: Not on this.

Mr. Macdonald (Rosedale): On this and the question of energy, and I dealt at length with the matter of studies before the standing committee. Further, I dealt with the question of energy policies during an opposition day debate. Once again there is lack of preparation. Mr. Speaker, but it has been lack of preparation by the hon. member for Calgary North who has been lying down on the job.

The hon. member also suggested that members of the government have not been in the position to set before the House, the country, and the United States government its position with regard to the proposals for a tanker route and the Mackenzie valley pipeline. I would like to take a few minutes of the time of the House to go through the

very extensive documentation on this point, to show just how badly informed is the hon. member.

• (1450)

As a start I should like to bring to his attention the statement made by my predecessor, the hon. member for Niagara Falls (Mr. Greene) in a debate in this House on March 12, 1971. He said:

As I have said, the Prudhoe Bay oil discovery was disclosed in June of 1968. As early as within one month from the time of that declaration the chairman of the National Energy Board met with the presidents of the oil companies who owned that oil—Arco, Humble and BP—and pointed out to them that the Mackenzie Valley line had advantages, as an alternative and should be considered by them.

Mr. Speaker, previous to that, in a statement made to the Canadian Club in Vancouver on February 12, 1971, my predecessor also said:

The Canadian government is not opposed to the construction of oil and gas lines from Alaska through Canada to the continental United States and the government of Canada has already acted in a broad way to define the national goals of such a development. On August 13, 1970 I announced some definitive guidelines to assist industry in their planning.

He went on to say to that audience:

Personally, I think that the United States oil industry has been too hasty and too unplanned in its decision to move Alaska North Slope oil across Alaska from Prudhoe Bay to Valdez and then by sea to receiving points in the U.S. northwest. Too hasty, because they did not give proper care and attention to the problems of the physical security of the oil line, the security of the environment in Alaska, the protection of the Alaska, British Columbia and Washington coastlines from sea-going tanker disasters, and to the question of the long term economics of the operation of such a line—

Once again, Mr. Speaker, my predecessor the hon. member for Niagara Falls made the government's concern about the risks to the coast amply clear. He also made it clear that the government was taking careful steps to make certain that it knew all about Arctic ecology and the impact of a pipeline in northern Canada before going ahead to issue permits.

My colleague, the Secretary of State for External Affairs (Mr. Sharp), made reference to a series of meetings he had with officials of the United States government. To the hon. member who asserted that no attempt had been made to bring to the attention of the United States government the views of the Canadian government, I would refer an aide memoire delivered by the Canadian Embassy in Washington to the United States authorities on June 29, 1971, precisely on this issue, which reads in part:

At a meeting in Washington, D.C., on June 10 the Secretary of State for External Affairs and the Minister of the Environment expressed to the U.S. Secretary of State, the great concern of the Canadian government regarding proposals to move oil by tanker along Canada's Pacific coast and to the Puget Sound area. The Canadian ministers held the view that because of the virtual certainty that oil spills would occur if the proposed tanker movements were permitted in these confined coastal waters, present plans should be reviewed with the objective of diverting these oil shipments to destinations other than Puget Sound.

The aide memoire continues:

The Canadian ministers drew attention to the widespread public concern in Canada about the environmental risks involved in the proposed Alaska oil movements. This concern has been expressed by the unanimous approval given in the Canadian House of Commons on June 21 for the adoption of the third report of the special committee on environmental pollution. A copy of this report is attached.

That unanimous approval, Mr. Speaker, must have been in the absence of the hon. member for Calgary North (Mr. Woolliams) or maybe he was here and as usual did not know what was going on. The aide memoire goes on to indicate to the United States government the proposed line of discussions to deal with the oil tanker problem and to carry out additional research into the possible damage to fish and bird life, the question of monetary damages, the question of shipping control—all proposals that dealt with these questions long before the United States government had made its decision to go on with this route.

The aide memoire of June 29 was followed by an aide memoire to the United States government on August 20, 1971, in the following terms:

The great concern of the Canadian government regarding proposals to transport oil by tanker from Alaska to the Puget Sound area has been made known to the United States government on a number of occasions during the course of this year. This concern is based upon the certainty that any movement of oil by tanker on the scale which has been proposed will eventually result in oil spills. The most recent occasion was at a meeting of United States and Canadian officials in Washington on June 29. At that meeting a proposal was elaborated in an aide memoire for detailed consultations to be held as soon as possible,—

The aide memoire goes on to say:

In general terms, as outlined on earlier occasions, the Canadian government is convinced that if the full economic costs of the substantial environmental risks are taken into account it will be found desirable to avoid introducing large and hazardous tanker movements into the inner waters of the Pacific Coast. The Canadian government is concerned, however, that there has so far been no indication of sources of oil supply for the States in the Pacific northwest. In order to explore this aspect of the question the competent Canadian authorities would be prepared to discuss the technical and other factors which might affect the continuing contribution to the oil needs of the region from Canadian sources.

Mr. Speaker, coupled with my responsibilities as Minister of Energy, Mines and Resources, I had the opportunity to meet with the United States Secretary of the Interior, under whose jurisdiction this comes, on March 30 of this year and to point out to him the great concern of Canadians as echoed unanimously by this House with respect to the danger of heavy movements of oil in the northwest Pacific coast area, particularly Puget Sound, the progress that has been made by the Canadian government in the studies I have referred to, the progress that has been made in defining the area for a Mackenzie Valley pipeline—

Mr. Woolliams: Whom did you meet with?

Mr. Macdonald (Rosedale): The United States Secretary of the Interior, the member of the United States government responsible for the pipeline.

Mr. Woolliams: What was his name?

Mr. Macdonald (Rosedale): Rogers Morton. The hon. member seems to be as ignorant of that as he is—

Mr. Woolliams: I wanted to find out if you knew.

Mr. Macdonald (Rosedale): What is your name, do you know?

Mr. Nielsen: Who the hell are you?

Mr. Macdonald (Rosedale): In my letter to Secretary Morton of May 4 this year, I said:

> I found most useful my meeting with you in your office in Washington on March 30 last, and appreciate greatly your courtesy in discussing with me certain aspects of the interesting decision you have under consideration in connection with an application for a permit to construct an oil pipeline in Alaska.
>
> At the time of our conversation, you suggested that you would like to have more insights and information into the Canadian interest in having such an oil pipeline constructed through Canada from Prudhoe Bay.

In four pages, the letter goes on to cite in detail the arguments in favour in moving the oil down through the Mackenzie Valley rather than through Alaskan waters. The document has been made public, but of course one cannot make documents like that public for the hon. member for Calgary North (Mr. Woolliams) because he is too idle to do his homework on these important questions.

Mr. Speaker, the hon. member has said that the government has done no feasibility studies. I pointed out by a document laid before this House, and it must have been available to the hon. member, that there has been an expenditure of $15 million over the last three years for defining the problems involved in building a Mackenzie Valley pipeline and for the purpose—

Mr. Woolliams: Would the hon. minister permit a question?

Mr. Macdonald (Rosedale): By all means.

Mr. Woolliams: I have listened to the argument and—

Mr. Macdonald (Rosedale): Ask your question.

Mr. Woolliams: I will ask my question if you will be patient. Have you then concluded, and have you reached a decision or made an ageeement with the United States government that TAPS in fact will not be built, that the crude petroleum and natural gas will be carried by pipeline down the Mackenzie Delta? Answer that question.

Mr. Macdonald (Rosedale): Of course there is no agreement because the American administration has decided that they are going to move American oil through American territory and international waters down to the American markets. The hon. member, who is supposed to be a lawyer, should know that there is no legal action that the government of Canada can take to prevent that.

Mr. Nielsen: The government has not decided that, industry has. The government gave a permit.

Mr. Macdonald (Rosedale): If Secretary Morton is not the government, who is?

Mr. Nielsen: All he did was issue the permit; industry moves it.

Mr. Macdonald (Rosedale): He issued the permit to build the line. The hon. member knows better than that. The hon. member for Calgary North has suggested that our position has not been made clear to the United States government. I pointed out that repeatedly in personal meetings between various members of this government and members of the American administration, and in aides memoire placed before that government and, as long ago as 1968 within a month of the time that the Prudhoe Bay field was disclosed to the public, representatives of this government already proposed the Mackenzie route as a favourable one for bringing the oil to market. It seems to me that little more need be said about the contribution of the hon. member for Calgary North in this debate.

• (1500)

Several points raised by the hon. member for York South (Mr. Lewis) require a reply. The hon. member said, raising the same rather incredible proposition put forward by the hon. member for Calgary North, that in some way we should get inside the American jurisdiction and the Canadian government should prevent that government from making a decision with regard to oil coming from within its territory and going to its markets.

The hon. member for York South said—and I appreciate his courtesy in indicating why he would not be present when I spoke—that we should have protested the construction of refining facilities in Puget Sound at the time they came into being. Mr. Speaker, the refining facilities in Puget Sound have been in operation at least since 1961. Ninety per cent of the oil used in those refining facilities in use comes not from overseas but is Canadian oil, Alberta oil that travels via the Trans-Mountain pipeline overland from Canada. The hon. member is really suggesting that the government of Canada should have protested the construction of oil refineries in Puget Sound built expressly to take advantage of hydrocarbons coming from Alberta. I can say one thing for the hon. member for Calgary North; at least that is one objection he did not raise.

Mr. Woolliams: I thank the minister for his generosity.

Mr. Macdonald (Rosedale): I should like to take this opportunity to repeat an offer I made in the House of Commons on April 19, 1972, as reported at page 1440 of *Hansard*—the offer was repeated, as I have indicated, to the United States government—namely, that we are prepared to put the United States in the position, with regard to the Puget Sound refineries, where not one ounce of oil need be brought by seaborne traffic to those refineries. Once they had established oil supplies which would come via the Trans-Mountain route and provided the oil requirements of those refineries, there would be no need to bring seaborne oil into that area. We are prepared to make that undertaking. We hope the United States government, which of course will have to seek and obtain approval of the courts with respect to these proposals, will take advantage of that offer and will meet the particular problem we face by using Canadian oil that is available via overland routes, thereby making it unnecessary for oil to be brought by sea which is the problem involved in this debate.

The government of Canada in the last four years has been active in this area. Commencing, as I said, immediately with the discovery of Prudhoe Bay oil, the government has indicated to American companies Canada's will-

ingness to consider the Mackenzie Valley route and has set up the extensive feasibility studies necessary to determine whether a Mackenzie Valley pipeline for oil and gas can be constructed to transport these products through our country to the markets of the central continent.

Furthermore, the government has been active in putting forward, by diplomatic memoire, by personal contact and by public statement both in this House and otherwise, the danger to Canada and to the American west coast which would result from the TAPS route. Of course we are disappointed. We regret that the American government, notwithstanding this, has decided to go ahead with the TAPS route. We must acknowledge, however, that it is their decision and they have the right to do this. I would not go so far as the hon. member for York South and suggest that this is an unfriendly act.

Even now it is not too late for the United States administration, as an act of comity, to reverse its decision, to be prepared to halt construction of the TAPS pipeline and come forward with a new proposal; that is, to participate with the companies which probably today or early next week will be announcing their intention to go ahead with a Mackenzie Valley route. On that basis we could be assured that in future the kind of damage which occurred in Puget Sound and which has been experienced in Canada will not be caused to the west coast.

Mr. Nielsen: Mr. Speaker, would the minister permit a question?

Mr. Macdonald (Rosedale): By all means.

Mr. Nielsen: The day before yesterday I asked the minister whether he had received an application from any company or consortium for the construction of a Mackenzie Valley pipeline, and he answered that no formal application had been received.

Mr. Macdonald (Rosedale): That is right.

Mr. Nielsen: What he has just said comes as a startling revelation. He has indicated that he expects applications to be made some time next week for the construction of a pipeline.

Mr. Macdonald (Rosedale): No, Mr. Speaker, that is not what I said, as the hon. member will see if he reads *Hansard*. I said previously that we have received no formal application. However, we have received an indication that consortiums are getting together with regard to making an application. So my statement stands that no formal application has been made.

Mr. Nielsen: The minister said, "Next week." He suggested there would be an application next week.

Mr. Macdonald (Rosedale): I expect that next week or, shall we say, in the very near future there may be such application. There have been a number of indications to suggest that applications will be coming to the Minister of Indian Affairs and Northern Development with regard to the land route. In large measure he and I will have to wait for those submissions to be made. We have reason to believe, from certain statements—the hon. member has had as much opportunity as I have had to gather this impression from news reports—that the consortiums expect to get together and make an application.

Therefore, it would be constructive and would help the proposal made by the hon. member for Fraser Valley East, and supported by the Secretary of State for External Affairs, if we put under the jurisdiction of the International Joint Commission the resolution of the problem regarding tanker shipments both in the east and in the west, both in the waters of Puget Sound and in the international waters of eastern Canada. I would therefore hope we might have the support of the whole House, not only for the resolution but for the amendment.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I am certainly glad that I was present today to hear the speech delivered by the minister, for it represented 30 minutes of exculpation without information. What it lacked in common sense is made up in vociferous delivery. I have always liked listening to the hon. member because one has no difficulty hearing what he has to say.

Mr. Macdonald (Rosedale): I am very glad to hear that.

Mr. Diefenbaker: This is an occasion that illustrates exactly the degree to which this House has been made to look ridiculous. The government either has not come with information or it has provided information that is not in accordance with the facts.

Mr. Macdonald (Rosedale): Not at all.

Mr. Diefenbaker: The minister laughs because he has been one of the main destroyers of this institution.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): I have heard enough.

Mr. Crouse: The minister cannot take it.

Mr. Diefenbaker: His leaving is in keeping with the courage he has always displayed.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: He makes a speech, we listen to him, he realizes it is foolish, ridiculous and full of incongruous statements, and away he goes because he does not want to be present when one reveals his total lack of consideration for the rights of Parliament. He does not want to hear what one says and thinks, apparently, that no one else will hear it. His leaving means that two ministers out of 30 remain in the House. Ministers of the Crown have responsibilities, but they are not held although this is supposed to be a most serious debate.

Mr. Basford: They will be here for the vote.

Mr. Diefenbaker: There is no question about that. Those automatons who are controlled by the government will be here for the vote. I am glad to receive that admission from the hon. gentleman. That is a most irresponsible statement and shows the degree to which this government has polluted Parliament. In other words, debate is no longer important. Ministers come in and deliver speeches which

have been written elsewhere and then leave, satisfied with their capacity of being able to read that which others had prepared.

The minister, in order to show the celerity, assiduity and dedication of the government, said, in effect, "Do not say we have not done anything." Then he said, "Why, last June 10, one year ago tomorrow, we sent a memo to the government of the United States." The minister then said, "We were not satisfied with that." Apparently they received no reply. On August 29 this was followed by another memo.

• (1510)

Apparently the United States government paid no attention whatsoever to the representations of the Canadian government which today is not very highly regarded by the administration of the United States.

Mr. Pepin: That is not true.

Mr. Diefenbaker: If the Minister of Industry, Trade and Commerce (Mr. Pepin) wants to interrupt, I will have a message for him. I do not want to deliver it because I do not feel this is the afternoon when I should. However, if he starts dancing around, as he does from time to time when problems are placed before him, I shall have to deal with him. I would not disturb the equanimity of the minister, but his record in the past few months in connection with United States trade matters has been so completely devoid of any effective action that I am surprised he even makes an appearance here as one of the two ministers present. He is 50 per cent of the government now.

Mr. Pepin: I will discuss that record with you at any time.

Mr. Diefenbaker: I do want to hear his words of wisdom. On march 20 there was a meeting with the Secretary of the Interior of the United States. All that the minister who just finished speaking did was prove that this government writes notes but does not do anything effectively beyond that. Indeed, some of those notes were stated to have been very effective, and in the month of February the Prime Minister, speaking of the dangers of pollution, said Canada has contingency plans ready for anything. Today we find there were no contingency plans. All we have had is a series of letters to Washington; they call them aides memoire—to aid the memory of the United States with regard to Canada's position, with no action being taken.

We then had the visit of the President of the United States and the United States Secretary of State. They came to Ottawa. They heard, they listened, they saw, they went back to Washington, and nothing was done. Warnings have been given over and over again in this House with regard to the dangers of oil pollution, but in Your Honour's independent position as Acting Speaker of the House you must have recognized the dilatory manner in which this government carries out its responsibilities. Naturally, I do not expect from Your Honour an answer to that suggestion.

I have very high regard for the hon. member for Fraser Valley East (Mr. Pringle). Mind you, I do not suspect in the slightest that what he produced had been worked out

across the way by the government. Not at all. He is a man who has a feel for what the government is thinking: this results in his being able to achieve something that no member on this side of the House has been able to achieve.

Mr. Basford: That is not true.

Mr. Diefenbaker: There was just one case. I am referring to moving adjournments under Standing Order 43 for the purpose of discussing matters of signal importance. The hon. member has a 1,000 per cent record. No other member of this House has that. He moved a motion to provide for some words that had allegedly been spoken by the hon. member for Yukon (Mr. Nielsen), and it received unanimous support.

Mr. Nielsen: Immediately.

Mr. Diefenbaker: When he brought forward that motion, it received unanimous support.

Mr. Nielsen: Immediately.

Mr. Diefenbaker: I should like to enlist the hon. member. He is sitting on the other side of the House; he is not with us but he is of us. From now on, when we have a motion that is serious in its import and ought to be considered, may we count on him as an ally to move it? That is the only way in which members of the opposition can bring anything before Parliament under Standing Order 43.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: He is powerful, and I believe in paying tribute where it is due. On June 6 a similar motion was moved by the hon. member for Egmont. That is recorded at page 2879 of *Hansard*. When that motion was moved, Mr. Speaker said that the motion required unanimous consent. When he asked if there was unanimous consent, the Hallelujah chorus opposite said no. A little later the hon. member for Surrey-White Rock (Mr. Mather) moved a motion. The speaker said:

> There is not unanimity. The motion cannot be put.

Again the Hallelujah chorus of members supporting the government said no. On June 7 the hon. member for Surrey-White Rock again introduced a motion. Again there was no unanimity.

Mr. Nielsen: The Liberals refused it.

Mr. Diefenbaker: On the same day, the hon. member for Kootenay West (Mr. Harding) moved a motion, with the same result.

Mr. Pepin: Don't interrupt him.

Mr. Diefenbaker: That shows the cruel farce of the new rules. Some hon. members sitting around me thought I was mistaken when I told them that if the rule changes were accepted, such rules would stultify the House of Commons and crucify Parliament. That is what has happened.

Can you imagine the House of Commons dealing with one of the most serious matters facing this country with

only two ministers being in the House? The minister responsible beat a retreat. The Secretary of State for External Affairs (Mr. Sharp) read an essay to the House.

Mr. Basford: It at least said something.

Mr. Diefenbaker: The Minister of State for Urban Affairs (Mr. Basford) is in a particularly vulnerable position. I do not want to bring him into this. There will be no oil poured out if I start on him. Can you imagine these two ministers speaking in the House and then leaving? They do not want to listen to argument. They have every reason to feel that way as this place has become a sepulchre of freedom. Almost every vestige of freedom that existed in the House when this government came into power has been destroyed by the rules which have been brought into effect.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: There is nothing that we can bring before the House of immediate importance unless we secure unanimity, and unanimity is never given. I do not intend to deal particularly with the oil situation; it has been dealt with at great length. Having seen this House in the last few weeks, I can say it is unbelievable to those who saw Parliament in the days of King and St. Laurent.

• (1520)

Mr. Basford: And Diefenbaker.

Mr. Diefenbaker: It is unbelievable that a House of Commons should be reduced to innocuousness because a government, having secured rule changes, a portion by agreement and a major portion by closure, has been able completely to emasculate this institution. The two ministers laugh. They laugh as freedom is destroyed. They ridicule the idea because, after all, as the Prime Minister (Mr. Trudeau) once said, "We are your masters". That attitude toward Parliament is apparent at all times and it has been intensified recently.

I had hoped an election would not have been long delayed so that as a result of this government being defeated, Parliament might have freedom restored to it. But I am not hopeful now. I must admit that I made a serious mistake in predicting that the election would be in the late part of June. Something happened. Something occurred to hon. gentlemen over there. I would not be surprised if the Minister of State for Urban Affairs from British Columbia had been in conversation with his hon. friend from Grenville-Carleton (Mr. Blair) and had learned how dangerous it would be to go to the country.

Mr. Basford: We would sweep it.

Mr. Nielsen: Sweep what?

Mr. Dinsdale: Sweep too much under the rug.

Mr. Diefenbaker: I have had admiration for the hon. member for Grenville-Carleton ever since the days at Saskatchewan University when he was president of our party at that university.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: I do not say that disdainfully at all. When I read recently what he found as a result of a poll, I can only conclude there were good reasons for the postponement of the election. If they take a few more polls, I do not think I would be venturing into the field of prophecy were I to say that it appears clear now that there will be no election until 1973. There are great difficulties ahead for the government. The Minister of Industry, Trade and Commerce is simply wallowing in difficulties. And while he wallows, Canada's trade is being lost.

Mr. Pepin: I will meet you on Monday.

Mr. Diefenbaker: Export trade is being lost as a result of the failure of the Department of Finance to take action.

Mr. Pepin: Wait until Monday.

Mr. Diefenbaker: Oh, I have heard similar statistics. The minister is very happy about what is happening. Now we understand why the administration of the United States is so firm. They realize that whatever stands they take, the minister will approve regardless of the effect upon our trade.

Mr. Pepin: Fifteen per cent up!

Mr. Diefenbaker: This is one reason we are afraid to speak out to the United States.

An hon. Member: It is better than you did in 1962.

Mr. Diefenbaker: I am not talking about backbenchers. I should like to know who that hon. member is. Many of the backbenchers over there feel very much as I do, but they dare not say so, Mr. Speaker. One hundred and ten posts of the 150 available to backbenchers have been filled. There are 40 dangling plums, and the reward for silence is a prospective plum.

Some hon. Members: Oh, oh!

Mr. Basford: Is that how you ran your government?

Mr. Diefenbaker: The hon. gentleman from British Columbia makes some of his finest contributions from a seated position. Once he gets up, he reads. I do not want to say anything more about him because he is not in my field of operation today. Although he is from British Columbia, he has not been able to get his government to do one single thing to protect the waters of British Columbia and the Pacific coast from oil pollution and the potential danger to that province.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: The only one who did anything was the hon. member for Esquimalt-Saanich (Mr. Anderson).

Mr. Pepin: Istanbul!

Mr. Diefenbaker: His reward was to be shipped out. They would not listen to him. He was not as successful as the hon. member for Fraser Valley East. When he made a motion on this subject, the government turned it down. He found he could do nothing, so he went out to British Columbia to tell the people there that he could not do

anything while he was in Ottawa because of the attitude of the government toward that province.

I speak with a deep sense of feeling with regard to this institution. It has become a puppet in the hands of this government as far as the majority is concerned. It has become a memory of what a House of Commons should be. What do government members say? Apparently they agree with the Prime Minister that Members of Parliament are nobodies. Certainly that appellation reflects the attitude of the government toward them.

I pass to the next matter, Canada's natural resources. Where do we stand in relation to the United States? We send them notes. The air is full of notes—going one way! What are the replies? I remember the days of the First World War when Woodrow Wilson said, in effect; "We send notes because we are too proud to stand." Apparently that is the attitude today. Mention has been made of the possibility of an offer to build a pipeline down the Mackenzie Valley. The government found this out only yesterday, apparently. Yet a few weeks ago in Edmonton the Prime Minister announced in stentorian tones the building of a Mackenzie highway to extend 1,000 miles. The Minister of Indian Affairs and Northern Development (Mr. Chrétien) said a pipeline could be built over the highway.

Did the United States agree, before that announcement was made, that it would build such a pipeline? The Prime Minister estimated it would cost $100 million. According to the estimate given to me, it would cost five or six times that amount. It is simply a means of befogging the thinking of the electors in Alberta and the Northwest Territories by pretending that something will be done.

• (1530)

What about our resources? We are today a "have" nation; the United States is a "have not" nation of those things required in the modern technological age. Imagine the position of affairs as revealed recently by Dr. Preston Cloud, Professor of geology at the University of California: he says that the world will run out of natural gas, zinc, tin, gold, silver and platinum in 20 years. He went on to say:

> In 30 years there willl be no uranium 235, the basic atomic fuel. In about 50 years, oil will have ceased to gush from the last well. In less than a century we will have used up all our supplies of nickel, minerals are in similar danger. Only iron has a life expectancy of 400 years.

We have these elements to a degree that the United States has not, but needs. Surely the government, instead of sending notes, should be endeavouring to bring about agreement on the basis that we in Canada have these assets and they have not. The President of the United States made a statement after he was here, part of which apparently was written by one Head. It has the earmarks of such production. That is one Canadian production but the words used were obviously not written in Washington. He said, in effect, "We are going to get along very well." Earlier the Prime Minister spoke about a breakthrough. What about the great industrial concerns of the United States? The president of the United States National Coal Association, when giving evidence to the United States Senate, said:

> Our government considers Canada our own for energy purposes.

Surely a government of Canada that is worth its salt will, instead of making roseate statements such as those by the Minister of Industry, Trade and Commerce and others, stand up for Canada and assure us that this nation shall receive the fairness and consideration it deserves. There is no use trying to press this government to do anything. It just will not act. It is self-satisfied and secure with its majority. It continues its course, which already has had the effect of seriously weakening the Canadian economy.

Northern development was mentioned in the most admirable speech of the hon. member for Calgary North (Mr. Woolliams). I have listened to him on many occasions, but his speech today was a mine of information concerning oil and Canada's problems arising therefrom. I congratulate him. I think this is the first time I have ever done that to anyone, but it was a speech worthy of the House. The Minister of Industry, Trade and Commerce was reading while the speech was being delivered. That is the interest he showed in this admirable speech which was worthy of the House.

Mr. Pepin: I agreed.

Mr. Diefenbaker: I have never been able to compete with the terpsichorean way the minister has of dancing with his hands.

Mr. Pepin: I learned that from you.

Mr. Diefenbaker: What of our northern resources? When I decided to bring before the people of Canada a plan for the development of the north, it was ridiculed. Liberal members, including Mr. Pearson the then leader of that party, said we were going to build roads and railroads from igloo to igloo. Apparently he had been reading what was said in 1874 regarding Macdonald's plan to support the building of the CPR: the Minister of Finance of that day suggested that Macdonald was endeavouring to build railroads from wigwam to wigwam.

We opened up the north and provided $7.5 million to each province in Canada for the construction of roads. I remember when we decided to support the building of the railway to Pine Point. Liberal members then jeered and said it was ridiculous. It was a nightmare to them. But today it is the best paying railroad in any part of Canada. This has been the attitude of the Liberal party throughout the years from the time of Macdonald right through to the present. It is always speaking about development, but has failed to act.

We now have this danger to our shores, and what action do we get from the government? None. We receive the same interest which the government shows in respect of our other resources. It is dumping them in the United States. Mention has been made of exports. Let us look at our record of exports, in large measure contributed to by raw materials sent out of Canada.

Mr. Pepin: That is absolutely wrong.

Mr. Diefenbaker: If the minister wants to speak and give us the facts, which he cannot do and does not dare to, I

would be glad to hear him. Let us consider the latest example in British Columbia, in connection with the railway, to supply coal to Japan, some five million tons a year. What is this government doing about that? Is this coal going to travel over Canadian railroads? I suggest it will do nothing of the kind. A United States outfit will carry the coal from the coalbeds, through the U.S.A. to dock facilities furnished by the people of Canada at tremendous expense, and in this way export thousands of Canadian jobs.

When I asked for some action what answer did I get? I was told the government was looking into it, giving it consideration. While they are considering it, we are disposing of our resources of coal and losing jobs for Canadians. I do not want to say anything more about the oil situation because I am in entire agreement with what has been said by my colleagues. What I have tried to do is see whether it would be possible to dislodge this government from its inertia and from its sitting position, from where it makes its greatest contribution, and get it to act for Canada.

The speech just concluded by the Minister of Energy, Mines and Resources, the former minister of defence, was one of defeatism and fear. He said the things he wanted to say in order to evade what should have been said. I am sorry if the election is to be postponed until 1973 because the time has come for Canadians, if they would preserve our heritage, to have a change of government.

Some hon. Members: Hear, hear!

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I join the debate on the motion of the hon. member for Fraser Valley East (Mr. Pringle) by complimenting him for introducing a tremendously important motion which has occasioned this important debate. Any motion which draws the right hon. gentleman from Prince Albert (Mr. Diefenbaker) into debate is one worth making. The House always enjoys his pungent comments whether or not one agrees with them. We listened with great interest and amusement to the right hon. gentleman.

Yesterday and today the leader of the NDP described the proposing of this motion and the debate thereon as a game, as trickery. I will come back to that matter in a minute. The right hon. gentleman for Prince Albert said we were playing politics, that we have lost the freedom of the House and that motions under Standing Order 43 amount to nothing, are never consented to and never reach the stage of debate.

• (1540)

Let me place on the record the fact that motions under Standing Order 43 moved by the opposition have been debated in the House and voted on. There was one by the hon. member for Winnipeg North Centre (Mr. Knowles) on the Public Service Commission's annual report. There was one from the hon. member for Skeena (Mr. Howard) under Standing Order 43 which was voted on by this House. Unanimous consent was given by the government to its presentation to the House. It was on a somewhat related subject, the west coast tanker route.

A motion under Standing Order 43 was made by the Leader of the Opposition (Mr. Stanfield), who is not in his place today, relating to Biafra. It was presented to the House and voted on. I appreciate why the right hon. gentleman from Prince Albert would be unaware of motions made by the leader of the Conservative party. I understand neither of them pays too much attention to what the other is doing. That motion of the Leader of the Opposition was moved and voted on. What the right hon. gentleman from Prince Albert says is really not correct. When a motion is well put and well directed, the government consents to its presentation to the House and supports it.

Mr. Diefenbaker: When the discussion will not be embarrassing to the government.

Mr. Basford: Members of the opposition say that motions presented on this subject were not allowed. Let us look at those motions. On Tuesday, the hon. member for Egmont (Mr. MacDonald) presented a motion to the effect that a committee look at the oil spill. I do not think we need another committee looking at it. The hon. member for Surrey-White Rock (Mr. Mather) presented a motion on Tuesday relating to federal action to clean up the spill. Action had been taken. Anything provided for in the motion was being deal with. On Wednesday another motion was presented under Standing Order 43 by the hon. member for Surrey-White Rock, inviting the United States Secretary of the Interior to look at the oil spill. I am not sure that would have been very useful. Let us get something going, rather than just travelling around looking at things.

Again, on Wednesday the hon. member for Kootenay West (Mr. Harding) presented a motion to the effect that another committee should look at the oil spill and report back to the House. In my view that would not be of much use. Then on Thursday along came the hon. member for Fraser Valley East (Mr. Pringle) who for the first time presented a motion that the matter relating to the international aspect of the problem be dealt with by the IJC. This was a very positive and useful type of motion. If some member of the opposition had moved a similar type of motion on Monday, Tuesday or Wednesday there would have been no withholding of consent from this side. It would have been presented to the House and, I am sure, carried.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Laniel): Order, please. The hon. member for Winnipeg North Centre (Mr. Knowles) seeks the floor.

Mr. Knowles (Winnipeg North Centre): Yes, Mr. Speaker, for the purpose of asking a question. Would the minister permit a question?

Mr. Basford: Yes.

Mr. Knowles (Winnipeg North Centre): Is he overlooking the fact that on Tuesday, when the hon. member for Surrey-White Rock (Mr. Mather) presented his motion, he asked as point (c) that what has happened be drawn forcefully to the attention of the government of the United States. What was wrong with that? How does it differ from what is now before the House?

Mr. Basford: That is quite easy to answer. It was made clear yesterday, in the report given by the Secretary of State for External Affairs (Mr. Sharp), that this had been done, that our embassy in Washington had already brought the matter forcefully to the attention of the United States authorities.

Then on Thursday along came the hon. member for Fraser Valley East with a motion relating to the international aspects of this matter, aspects beyond the territory and jurisdiction of Canada, asking that the United States join with us in a reference to the IJC to look at these situations. That, of course, is a useful motion which this House should have before it, as it has now. I hope it will be carried unanimously when the vote is taken.

The government previously declared itself on this question. As was made clear yesterday by the Secretary of State for External Affairs, and again last evening by the Minister of Energy, Mines and Resources (Mr. Macdonald), the government at every point of contact with the United States government, from the President down, had urged this course of action. The government had declared itself and had made its position clear. The time had arrived when it would be helpful and appropriate if the House of Commons called upon the United States government for a response to the request of the Canadian government.

That is the type of motion which should have been put. Had it been put before, it would have been agreed to on Monday, Tuesday or Wednesday. It does not seem to me that the presentation of a motion of the type that would ask the United States government to respond to our suggestion that the IJC be called in to deal with certain international aspects beyond our territorial waters could be termed as trickery or playing games. It is a disappointment to me that the leader of the New Democratic Party (Mr. Lewis) would describe such reasonable initiative as trickery.

In listening to members of the New Democratic Party and to some opposition spokesmen it would seem that they overstate their case to the extent that they lose credibility. They state that this government has a record of non-performance in this area and is not concerned with environmental issues. The fact is that this government is doing more in terms of protection, preservation and conservation of the environment than any other government in the world.

Mr. Woolliams: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Basford: Perhaps we might look at a few things this Parliament has done. This Parliament has passed the Canada Water Act, the Arctic Waters Pollution Prevention Act, the Canada Shipping Act, the Northern Inland Waters Act, the Territorial Sea and Fishing Zones Act, major extensions of Canada's territorial seas, major extensions in respect of the preservation of our fishing resource and important amendments to the Fisheries Act relating to any waters frequented by fish, to ensure they are protected.

This Parliament, through the initiative of the government, passed major amendments to the Oil and Gas Production and Conservation Act relating to water pollution and to the protection of our water environment and the resources of our waters and seas. We have taken action relative to the Clean Air Act concerning the protection of our air. There have been amendments to the Motor Vehicle Safety Act relative to exhaust emissions. Many important pieces of legislation have been passed. The leader of the New Democratic Party described these as pieces of paper. That is an insult to Parliament.

[Mr. Knowles (Winnipeg North Centre).]

I think in this Parliament we have passed very important pieces of environmental protection legislation at the initiative and with the leadership of this government. Within the government we have taken action, for example, to reduce the phosphate level of detergents. Measures have been passed under the Pest Control Products Act to deal with DDT and other pesticides. Extremely generous tax incentives have been given to industry respecting devices and anti-pollution measures to reduce air and water pollution resulting from industrial processes. We have been providing over $500 million through one of my own agencies, Central Mortgage and Housing Corporation, for the construction of sewage disposal plants to reduce the demands on our clean waters. Those are things which we have been doing within our own territory, under our own jurisdiction.

• (1550)

We have also been taking positions internationally and have been at the forefront of international action. We are one of the leaders at the environmental conference which is now being held at Stockholm. If the official opposition want to, they can belittle the importance of our efforts, but let us look at the record.

Mr. Baldwin: There is so much to belittle.

Mr. Basford: We read such headlines from Stockholm as "Canadians break stalemate at environmental conference".

Mr. Baldwin: After first reversing their position.

Mr. Basford: Let us not forget the work of my colleague from British Columbia, the Minister of the Environment (Mr. Davis). Another headline about the Stockholm conference which appeared in one of the Vancouver papers today reads, "Canada wins day in ocean pollution law". Further action is being taken in Stockholm at the international level to ensure tough, tight and proper environmental protection action in areas that are beyond our territorial seas and beyond our immediate national jurisdiction.

The concern of this government is precisely the reason why we are playing a leading role at that United Nations conference on the environment. Surely hon. members know the very strong stand that we have taken there regarding oil pollution. When my colleague from British Columbia returns from Stockholm, where he is leading the Canadian delegation, he will undoubtedly report to the House in detail on the success of the leading role Canada has played at the conference. Canada has been supporting and has worked effectively at that conference to win support for a multinational declaration of principles which will go a long way toward keeping clean our air, our water and our beaches.

We said we will give our support—these are our instructions to our delegation—with significant amounts of money on a continuing basis. It is not too much to say that we have assumed an extremely important leadership role at that conference and that it is being generally recognized, a recognition which never comes from the official opposition.

I am delighted, particularly because of the portfolio which I now hold in this government, that the conference has at least passed through the preliminary committee stage. Yesterday the Canadian delegation suggested that Canada host an international human settlements conference in 1975. I hope this will be passed by the plenary session at Stockholm. This is not simply another conference relating to the environment; it is designed to be a demonstration project on Canadian sites in Canadian cities of experiments that have been made in the world as to how people can get the best urban environment while living in cities. That is the kind of thing that Canada will be showing the world at that demonstration project which, hopefully, it will be agreed will be hosted by Canada.

Some comments have been made in this debate about British Columbians in the House and I want to mention a few of them. First, we have the motion moved by the hon. member for Fraser Valley East. It is a useful initiative at this time, calling upon Americans to respond to our request that certain matters relative to the Cherry Point refinery and to the shipping of oil through those waters be dealt with by the International Joint Commission. We have the hon. member for Victoria (Mr. Groos), who is in his riding today, who has four private member's bills on the order paper, some of which are being reflected in regulations and in the proposals which the Minister of Transport (Mr. Jamieson) announced today. We have the hon. member for Esquimalt-Saanich (Mr. Anderson) who as a member of this House has played an important role in environmental matters and on the whole subject of the carriage of oil by sea.

Mr. Knowles (Winnipeg North Centre): Look what happened to him!

Mr. Basford: That hon. member is so well regarded that we all joined in supporting him for the leadership of our party in British Columbia.

Mr. Diefenbaker: He was banished.

Mr. Bell: You threw him out.

Mr. Basford: Those of us who are Liberals in British Columbia are proud of his leadership, and whether we are members of the cabinet or Members of Parliament we are determined to give him every support to become the next premier of British Columbia. This morning we received a telegram from the Premier of British Columbia on this oil spill. All the matters mentioned in the wire are being dealt with. I am sure that Mr. Anderson, the leader of the provincial Liberal party in B.C., will be happy the premier of B.C. is supporting the position for which he has been fighting for so long.

Mr. Diefenbaker: But the government did not support him.

Mr. Basford: I am sure that he welcomes the support of the Premier of British Columbia.

Mr. Woolliams: You scuttled the poor member.

Mr. Basford: I could mention the work that hon. members from the interior of B.C., the hon. member for Kamloops-Cariboo (Mr. Marchand) and the hon. member for Okanagan Boundary (Mr. Howard), are doing in terms of preservation of the recreational waters of the Okanagan. I am sorry that my colleague, the Minister of Transport, cannot participate in this debate as he is out of the city on government business. However, three ministers have spoken in the debate and have indicated the importance that we place on the matter. The fourth minister is leading our delegation in Stockholm.

Mr. Bell: Where is the Prime Minister?

Mr. Basford: May I say for the Minister of Transport, relative to the Transport Act and the work of his department, that as has been mentioned in this debate ever since concern has been expressed about oil spills, about the ecological damage that can be caused, and ever since this problem came to public attention with the sinking of the *Torrey Canyon* in the English Channel, attention has been focused on the need, to which this government has been responding, for proper, effective transport laws, marine laws and shipping laws to protect the waters of our coasts from the kind of accidents that can occur.

The Brussels conference of 1969 dealt with two international conventions related to oil pollution. While in some respects we did not get all that we wanted from that conference, we did bring about important revisions of those conventions and from that flowed a revision of the Canada Shipping Act which was reflected in Bill C-2 which was dealt with by this parliament. The grounding of the tanker *Arrow* on the east coast in 1970 gave further impetus to those projects of revising the Canada Shipping Act and putting in place what is now part XIX of the Canada Shipping Act which was proclaimed on July 1, 1971.

The introduction of anti-pollution regulations under part XIX of the Canada Shipping Act is progressing and new oil pollution regulations and garbage pollution regulations have been made. Traffic control and traffic separation schemes have been introduced and are being continually developed. These are the kind of measures we need if we are to protect our coasts. Regulations establishing the maritime pollution claims fund were made on February 3, 1972, and further regulations relating to ships' navigating appliances, watchkeeping personnel and non-Canadian ships' compliance certificates are in the final stages of drafting.

• (1600)

Arctic shipping pollution regulations made under the Arctic Waters Pollution Prevention Act are also in the final stages of drafting. Being announced today by the Minister of Transport, effective July 1, 1972, is the institution of a marine navigation information service in the

waters of British Columbia. This service will be effective in Canadian waters between Vancouver Island and the mainland including the Strait of Juan de Fuca, the Strait of Georgia including Burrard Inlet, Howe Sound, Malaspina Strait, Johnstone Strait, Broughton Strait, Queen Charlotte Strait including the Gordon and Goletas channels.

This marine navigation information service is designed to cover all vessels of 100 gross tons and over, and all tugs with tows which measure, from the stern of the towing vessel to the stern of the last vessel or object towed, 100 feet or over. The service is based upon each vessel transmitting a message containing basic navigation information at designated points along her route. Masters or pilots of other vessels in the area, by monitoring these broadcasts will have the positions and intended movements of all other vessels which are within a given sector. Steps are being taken in a constructive positive way to ensure that the possibilities of marine accident, particularly involving tankers, are reduced to the minimum which adequate protection measures can provide.

The leader of the New Democratic Party said we were not ready if there was an oil spill. We pray that there will never be a major oil spill. Let us hope that we can have tough and effective international regulations governing the transportation of oil at sea, but we ourselves must be ready in the event that there is some accident, some hazard, some oil spill. The Minister of Transport's efforts in this regard were ridiculed by the NDP. May I point out, Mr. Speaker, that the Ministry of Transport has a contingency plan. The ministry has the nucleus of a team of experts at headquarters which provides for the central purchasing of equipment, training, evaluation and planning whenever a situation is serious enough to warrant the use of such group. Regional structures have been established under the authority of the federal contingency plan which provide for a local responsibility and planning structure throughout the country. A great deal of effort has been provided by the petroleum and associated industries to assure that this contingency plan is well established.

The program involves the expenditure of approximately $4 million, which will include the provision of 27 slick-lickers. Possibly that would be a job for the leader of the NDP when he is out of office after the next election. As I say, it includes the provision of 27 slick-lickers and their associated vehicles, 42,000 feet of inshore booming and the other equipment which is needed in order to provide a reasonable capability to meet the challenge of an oil spill.

Mr. Baldwin: Now tell us about the toilet-rolls.

Mr. Basford: Mr. Speaker, I can hear ridicule from the opposition. It just shows what little they know of this subject. Such a machine has been located at Victoria. This equipment can be moved on short notice to points on the west coast to cope with possible oil pollution incidents.

An hon. Member: You are reading too fast.

Mr. Woolliams: Then why did they have to get hay?

Mr. Basford: Mr. Speaker, all this heckling from the opposition shows that they do not want the facts. They do not want to see that we are prepared, that we have contingency plans and that we have the situation under control. This kind of equipment was used, for example, in connection with the grounding of the freighter *Vanlene* off Austin Island in mid-March of this year, and the same equipment is now being used to cope with the oil spill at White Rock which came from Cherry Point refinery.

Slick-lickers have been built for Vancouver, Victoria and Prince Rupert, and 2,000 foot inshore booms will be located at Vancouver, Victoria and Prince Rupert. As part of the over-all contingency planning structure for the west coast, readily available sources of sorbants have been identified throughout British Columbia for emergency use in case of oil spills. The hon. member for Calgary North ridicules this kind of planning. So does the leader of the NDP. We all hope there will not be any accident. We all hope there will not be ecological damage. But the government must have a contingency plan to minimize the damage from an accident should one occur.

Within our own legislative jurisdiction and within our own territorial waters we have taken every possible effective step that we could take. We are prepared to carry out whatever constructive suggestions are made, but our problem is that much of the potential damage can come from the carriage of oil on the international high seas or in the U.S. territorial waters. Within our own territorial jurisdiction we have our own powers and tough legislation. We have contingency plans. But of course we are limited when it comes to dealing with the high seas, U.S. territorial waters or U.S. refineries. This is why we are calling in this motion, and the government has called at every point in our contact with the United States, for them to—

Mr. Nielsen: You are admitting it is your motion.

Mr. Basford: Parliament is calling for it in this motion and that is why we want the motion passed by Parliament. That is why we are joining the hon. member for Fraser Valley East, so that there may be an expression by the representatives of the Canadian people of their wish that the United States respond to the government's invitation to bring the International Joint Commission into this matter and design meaningful rules relative to U.S. waters. Hopefully, Mr. Speaker, this and other action taken by Parliament, by government and by the people of Canada, and the representations made by the politicians of this country and those of the U.S. Pacific northwest, will lead to an early and favourable response from the U.S. government.

It is plain that the problem of pollution is international. Each time a river flows from one land to another, each time foul air blows from one country to another, and each time an oil tanker pollutes the high seas or ravages a coastline, it is essential that we act, and that internationally we impose very stringent requirements on international oil and shipping companies which fail to take adequate precautions and endanger the life that is dependent on our oceans.

Relative to the west coast, Mr. Speaker, we think the Pacific northwest, be it British Columbia, Oregon or Washington, has some of the most beautiful water and recreational areas on the North American continent.

Members from British Columbia have asked the Canadian government to do all that it can to protect us, and speaking as a member of that government, we are doing that. We are calling upon the citizens of the United States to ask their government to do the same.

The hon. member for Fraser Valley East, who moved this motion, is to be complimented on having the Canadian House of Commons put on record this request to the United States government to respond to our initiative and involve the IJC in this important role. I think the member for Fraser Valley East will want to speak again on the amendment and indicate the response to conversations with politicians, governors and senators of the Pacific northwest who we hope will urge the United States government to do what we are urging them to do.

• (1610)

Mr. Deputy Speaker: Order, please. I wonder if I might review the situation. We have about 45 minutes left in this debate and I know many hon. members would like to contribute to this important matter. I suggest that I call next upon the hon. member for Vancouver-Kingsway (Mrs. MacInnis), then the hon. member for Vancouver Quadra (Mr. Deachman) and then the hon. member for Cumberland-Colchester North (Mr. Coates). I suggest to hon. members that if they would take 15 minutes each, that might be fair. If this suggestion is acceptable, we could give these three hon. members a chance to make their contribution. Without asking that it be made a formal order, I make this suggestion.

Mr. Baldwin: On a point of order, Mr. Speaker, will the procedure followed in this debate be such that the question will be put? Is that the intention?

Mr. Deachman: Mr. Speaker, I think there is probably a disposition among hon. members on all sides that when we come to the end of the debate we carry the motion and the amendment without their being put to a formal vote.

Mr. Baldwin: I am not talking about a recorded vote, but at least the question should be put. I mention this because after the speech of the minister I think it is necessary to get back to the business of the motion.

Mr. Knowles (Winnipeg North Centre): Yes, Mr. Speaker, that is our understanding, that at five o'clock today the question on the motion as amended will be put and we hope it will be carried unanimously.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, we have just watched a very interesting performance indeed. The Minister of State for Urban Affairs (Mr. Basford) has given a performance as smooth as silk. In this case it needed to be very smooth indeed. He has papered over the cracks in the record of the government, practically turning himself into an oil slick licker in order to show his anxiety and to cover up the long months of neglect when this government turned a deaf ear to pleas from this side of the House for something to be done in order to avoid a disaster such as has taken place at Cherry Point.

Earlier speakers have documented what happened in these long months. I refer specifically to those occasions since January, 1971, when the hon. member for Fraser Valley West (Mr. Rose), the hon. member for Kootenay West (Mr. Harding), the hon. member for Surrey-White Rock (Mr. Mather), the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), the hon. member for Comox-Alberni (Mr. Barnett) and one or two members of the official opposition begged that something be done about this matter. It was not done, Mr. Speaker.

Anyone who has visited the west coast recently knows that even this government has to make a show of interest and anxiety at this time because feelings there are running very high—feelings of indignation, of outrage, of fear for the future. The people of British Columbia are deeply concerned about what is happening to the province, and not only in the matter of this oil slick, although that is a taste of what is to come. The hon. member for Prince Albert (Mr. Diefenbaker) referred to Canada as being a "have" country. We realize that the time is not far distant, if we keep a government of this kind, when we shall be joining the "have nots".

An hon. Member: Have nuts.

Mrs. MacInnis: We have the nuts right now, but we will be "have nots" before too long if we let this go on. It is not only oil, it is not only environment, it is not only fish, it is not only minerals, it is not only forest—in every one of these cases the federal government is demonstrating less than tokenism in trying to save and protect our resources which were among the richest in the world.

I am convinced, as this House is gradually becoming convinced because British Columbia members are doing their best, that this problem is not going to blow over. The people of British Columbia are becoming thoroughly aroused about this oil spill problem because they have seen what happens here. The age of gumshoe diplomacy is not dead in this government.

This morning the Secretary of State for External Affairs (Mr. Sharp) said that we have been trying to persuade the United States government to do this and that. Those of us who have read history remember when Canadian governments adopted much more vigorous methods of persuasion in order to get the United States government to realize that there was a border and that we wanted to run our own show. This has not been the case with the present government.

It would be nice to believe that in this House we are all equally concerned about the disaster that has taken place at Cherry Point and that we are equally concerned to see that it does not happen again. Much as I would like to believe that, I cannot. It may be true of individual members, and most who come from British Columbia sense the feelings of the people there. But it just is not true of this government which is torn in its loyalties and has already made up its mind on which side it stands.

I listened carefully to the remarks of the Secretary of State for External Affairs this morning. He accepts the inevitability of the destruction of the environment because he accepts the inevitability of tankers coming down the west coast. His whole speech was predicated on the fact that tankers will come down the west coast. I am not sure that they need be allowed to do so. I would much prefer the attitude of the leader of our party, who said

that it was time the government of this country and an aroused people behind it took the position that Canada will not stand for tankers coming through Pacific waters. It may be said that we are just battling against shadows and that the United States will not pay any attention. But if some of us and the government would start doing this sort of thing, we might be joined by other governments. Some have shown that they have a little backbone even against the great United States.

I noticed in yesterday's newspapers a report that the Swedish prime minister, at the environmental meeting in Stockholm, without naming the United States had made abundantly clear where he stood on the outrage and the immense destruction brought about by indiscriminate bombing and the large-scale use of bulldozers and herbicides. He said it was of paramount importance that ecological warfare cease immediately. The United States recognized that the cap fitted and were enraged diplomatically because the prime minister of a little country like Sweden had dared make remarks which could refer only to them.

If Sweden could be joined by Canada and one or two other countries who pride themselves on being international powers, if our minister who is in Sweden now told some of the things that should be told about oil slicks and urged that the environment is more important than the provision of additional facilities for corporations to bring oil down the west coast, then we might get somewhere internationally. We will not get anywhere while we merely strike attitudes, take up positions and go with polite little notes to the United States.

I have consulted the record about what is going on, at least as far as one can in view of the cloak of secrecy surrounding these matters. On February 9, 1971, the hon. member for Fraser Valley West tried to get some information from the Secretary of State for External Affairs and received the following reply as recorded at page 3232 of *Hansard*:

I do not think it would be appropriate for us as a federal government to appear before any U.S. tribunal that is considering these questions, any more than we would consider it appropriate for the American government to appear before our tribunals. Our contacts must be much more direct. I am sure the hon. member recognizes the question of the dignity of our government in dealing with the governments of other countries.

• (1620)

There are times when something is more important than dignity and this is one of those times. The survival of this country is at stake. The minister can smile as much as he likes, but he knows perfectly well how British Columbians feel about this. If he had more intestinal fortitude he would tell the Secretary of State for External Affairs that sending polite notes is not enough, and merely referring these matters to the IJC is not sufficient. I think a proper way of handling this business would be by bringing forward the sort of motion that is suggested in the publication *Perspective*, which is put out by an anti-pollution organization on the coast. In their May issue they say:

We feel that prevention will be the best medicine for the problem. The half million dollars spent on the *Vanlene* oil clean-up—

That was the spill previous to this one.

—could have been used to begin installation of radar along the west coast for the ministry of transport to monitor the approach of ocean-going vessels, and inform the captains of their positions as they near the coast-line. The captain of the *Vanlene* thought he was grounded on the coast of Washington. Canada must take immediate action to keep the rust-buckets like the *Vanlene* from entering Canadian waters without proper functioning guidance equipment. It is not worth the cost to the taxpapers for British Columbia harbours to seek increased trade with ships that could just as well end up on the rocks as in the harbour.

Then they say:

It would be an ironical situation for the federal government to proclaim a national underwater park in the Gulf of Georgia and not protect it from the potential polluters floating above.

If supertankers are permitted to travel along the coast of British Columbia it is only a matter of time before one of them runs aground.

The resultant spill will be 50 times worse than the 330 tons spilled by the *Vanlene*. The ecological and economical destruction would be disastrous.

Then they suggest a motion for setting up a committee formed of citizens from the Canadian side of the border as well as from the American side which would delve into the Cherry Point disaster and other matters, find the facts, make recommendations and then as a joint citizen group from both sides of the border bring pressure to bear on both governments jointly and make them act.

I know that on the government side of the House there is a great lack of respect for ordinary, organized citizens. Nevertheless, if we are to deal effectively with the United States I think we must encourage such voluntary citizen groups to do their work. Citizens must be informed, they must be organized and they must stand behind their government. What is the sense of sending polite notes to the United States government, to members of Congress, to the President or to anybody else unless the American government knows that Canadians are ready and willing to support their government in these efforts? The Skagit business is staring us in the face. The IJC is supposed to have made a report. And what has been the result? The government has done absolutely nothing. I suggest nothing will be done on either side of the border until enough citizens groups become concerned, stand behind those who are concerned about pollution and demand that something be done.

Only a few minutes remain to me, Mr. Speaker. May I say this. We need new priorities in this country, priorities different from those this government espouses. The government's top priority is that of economic profitability for corporations—oil corporations in this instance. The government adheres to that priority even though it results in ecological disaster for the west coast.

Mr. Howard (Skeena): What do they care?

Mrs. MacInnis: We must change that. We must speak out and stand firm in our dealings with this government and the government across the border. We have had one *Arrow* disaster. We know what that disaster meant for the people of the area concerned. How many more disasters like Chedabucto Bay and Cherry Point must there be before the government realizes that setting up equipment to deal with pollution when it occurs is not enough? We must prevent these disasters and as our first line of defence we must stop the big supertankers from coming in large numbers down the west coast. It can be done if

the government wants to do it. Apparently this government has given its allegiance to big business on both sides of the border, to oil companies and other big companies. Its polite notes are designed to give people the idea it is doing something.

Let the government think what all this means to British Columbia. Let it think of the beaches fouled, of water polluted, of recreational possibilities damaged, and so on. Our second largest industry, the tourist industry, is shot because the environment which makes that industry possible is being wrecked. Wildlife is destroyed. Such pollution is a disaster for marine life and for bird life. These things are irreplaceable. Our province, one of the most beautiful areas in the whole world, is being desecrated by oil companies, mining companies and lumber companies which are taking out all that the traffic will bear without any thought of what will happen. It is time British Columbia members made their voices heard loudly and clearly. It is not enough, in view of what is going on, to introduce a motion of this kind. I can hardly believe that British Columbia supporters of the government will allow the government to get away with this sort of thing.

An hon. Member: You had better believe it.

Mrs. MacInnis: Mr. Speaker, of course we are in favour of this motion even though its introduction involved political trickery. We believe in what the motion says and we support the amendment. We will support the motion as amended. However, let me say this: the people of British Columbia are not fooling and they do not intend to let this government get away with what has been happening in the past 18 months. They will not tolerate such complete neglect and failure to do anything concrete that will stop tankers coming down the west coast. I for one hope that every force in this country will be mobilized to prevent this outrage being perpetrated against our west coast province.

Mr. Grant Deachman (Vancouver Quadra): Mr. Speaker, the motion of the hon. member for Fraser Valley East (Mr. Pringle) has provided the House with an excellent opportunity to review a subject very close to the hearts of west coast members and all members who serve constituencies adjacent to or involved with bodies of water that are navigated by commercial vessels.

In order to focus our attention more sharply after the numerous speakers who have spoken in a number of hours of debate, let me deal with the spill and say how large it was. Strangely enough, this was not a big spill and not a very damaging spill. It was dramatic, not so much because of its size but because of the location in which it occurred and what is anticipated will take place on the west coast. I have some notes which the hon. member for Fraser Valley East was good enough to give me after he had been in touch with the office today of Congressman Meeds of the state of Washington. According to these notes, the clean-up co-ordinator is Captain David Gershowitz, captain of the port of Seattle coast guard district. The tanker involved was the *World Bond*, a ship under Liberian registry carrying oil from Iran. This was not oil that is to be connected with the new, proposed oil route from Alaska.

The ship arrived at Cherry Point late on June 3, 1972, and began discharging oil almost immediately. The spill occurred during darkness on June 4. Witnesses say that crude oil discharged for approximately five hours before it was discovered. A great deal of the spill was contained by plastic booms surrounding the discharging vessel. There is a regulation which states that loading or discharging vessels must be surrounded by these booms. However, they are not effective in currents greater than seven-tenths of one knot; oil is sucked under the boom when the current exceeds that figure. Coastguards estimate the spill at approximately 100 barrels, each running to 55 gallons. Some estimates are as high as 300 barrels. So, Mr. Speaker, we are talking about an oil spill of between 5,000 and 6,000 gallons.

• (1630)

A broken valve caused the spill. The valve has been taken from the ship and sent by the coastguard to an independent testing lab to determine the cause of the break, whether it was the responsibility of the vessel or of the Atlantic Richfield Oil Company.

On Monday, Congressman Meeds will testify before a sub-committee on the navigable waters safety act sponsored by Senator Magnusson and himself. This legislation was introduced after the spill at Anacortes last year. It will provide for strict harbour controls which will lessen the possibility of collision and strict construction standards for bulk liquid carriers, such as oil carriers. Initially, only United States tankers will have to comply with this ruling, but by 1974 foreign tankers will also be included. The notes conclude:

> A letter was mailed today from Senators Magnusson and Jackson and Congressman Meeds to Secretary of State Rogers requesting the administration to call a cabinet-level, Canadian-U.S. oil spill conference. This conference would specifically discuss the international consequences and possibly co-ordinate action in the event of future oil spills.

Here is a movement toward Canada-U.S. co-operation which up to this point has not been recorded in this debate. It is certainly going to be a useful addition to the studies now being taken to see if some control can be brought to the matter of oil spills on an international basis between Canada and the United States. This is in addition to the recommendation made by the government of Canada for action by the International Joint Commission.

It is interesting to note that today, June 9, hearings are taking place in the Congress of the United States, in Washington, in the joint economic committee of which Senator William Proxmire is chairman. I quote from a press release dated June 2:

> Senator William Proxmire . . . announced Friday that the Committee will hold four days of hearings on June 7, 8, 9 and 22 on natural gas regulation and the trans-Alaska pipeline.
>
> "It is becoming increasingly clear that the supply of energy has shifted from abundance to scarcity," Proxmire said, "and that the nation badly needs wise public policies to avert an energy crisis—
>
> "It also means that government policies must be formulated in a broad perspective that carefully balances the environmental, economic, national security, and other social demands of both consumers and producers—
>
> "The purpose of the hearings I am announcing today will be to place the Federal Power Commission's regulation of natural gas and the Interior Department's decision to approve the trans-Alas-

ka pipeline right-of-way into this broad context and determine how well these policies serve the broad public interest—

"The hearings on June 9 and 22 will investigate whether there is evidence to support the Interior Department's decision to approve the trans-Alaska pipeline right-of-way. As I indicated in a May 19 letter to Secretary Morton, a preliminary analysis of the available information indicates serious omissions and inconsistencies between Secretary Morton's public statements and his department's analysis of the situation."

Of particular interest to us is that in the schedule of witnesses, attached to this press release, who will appear before the committee today the first witness is "David Anderson, Member of Parliament, Canada". A little later I want to remark on why the hon. member for Esquimalt-Saanich (Mr. Anderson) happens to be before that committee today, about the work he is doing and also the very valuable work being done by the hon. member for Victoria (Mr. Groos) in this field. Before I do so I want to refer to the area that is affected.

The Gulf of Georgia and Puget Sound would be affected by the oil spills we have been discussing today. Puget Sound and the Gulf of Georgia are formed by an indentation of the west coast and by the inland shore of Vancouver Island. These two bodies of water together are about 20 to 30 miles across. They extend northward from the southern point in the state of Washington for a distance of approximately 200 miles. This inland sea is an extremely busy area. It is plied daily by hundreds of vessels, commercial, recreational, small craft and one of the biggest fishing fleets in the world. The area is of inestimable value for trade, recreation and marine life. It is also a great commercial fishery. Around its shores and in the Strait of Juan de Fuca, which is the strait leading into the Gulf of Georgia and Puget Sound, are the cities of Victoria, Tacoma, Seattle, Vancouver and smaller centres such as Nanaimo, and so on.

Let me now deal with the threat to this area from oil spills. While it is true that oil has moved daily in vessels up and down the Gulf of Georgia and Puget Sound for decades and spills have occurred again and again, it is only with the possibility of giant oil tankers proposed for the Alaska route, or TAPS route as it is called, that a threat of this magnitude comes to the Gulf of Georgia. This threat is beyond our present capability to manage or even comprehend. To give hon. members some idea of what is meant by an oil spill if vessels of the 250,000 tons and up class were to spill oil in the Strait of Georgia, let me refer to words which the hon. member for Victoria used in a speech last February to the Vancouver Island Liberal Association.

Mr. Bell: Was this before you kicked him out of caucus, or after?

Mr. Deachman: I am referring to the hon. member for Victoria, whom we have not kicked out of caucus. We never kick anybody out of the Liberal caucus.

Mr. Crouse: What about Hellyer and Kierans?

Mr. Deachman: Sometimes members decide that they want to leave us, but we never kick anyone out. The hon. member for Victoria said:

The tankers they are building for the Valdez-Bellingham route carry about a million barrels of crude. At roughly 250,000 tons they are today considered to be only medium-large tankers. It would take about three of that size every day to take the maximum output of the TAPS line at Valdez. But I did a little calculation with the help of some handy conversion tables, and if the million barrels they carry is as incomprehensible to you as it is to me perhaps it is easier to understand if I say that a million barrels would make a trail of crude oil 18 feet wide and an inch thick for a distance of 700 miles. If you want the 700-mile trail a little wider—say 30 feet wide—still an inch thick—just move up to a 500,000-ton tanker.

• (1640)

The same hon. member, in an address to the Chamber of Commerce of Vancouver Island at Duncan, British Columbia, in March, 1971 said:

The *Torrey Canyon* was a 100,000-ton or 600,000-barrel capacity oil tanker. It got off course and spilled the whole works in the English Channel. The tanker Haro which ran aground off a reef in Chedabucto Bay spilled about 10,000 tons, 5,000 tons of which escaped the sea and was never a part of the immediate problem. It cost $3.5 million to clean up even superficially the other 5,000 tons. What is by today's standards now known as a medium-sized oil tanker of about 100,000 tons would carry about the same amount—about 5,000 tons of oil for its own consumption and a 200,000-tonner of the *Universe* class will carry over 12,000 tons. This is not the end. Tankers nowadays range up to double that size, to 400,000 tons, and there are bigger ones on the drawing board.

Consider the threat brought to the west coast by the proposed TAPS line. Consider for a moment what is at stake here as far as the Americans are concerned and what the possibilities are of preventing traffic along this route, as was suggested by the hon. member for Vancouver-Kingsway (Mrs. MacInnis), or seeing it diverted down the Mackenzie Valley through Canada. I wish to quote from a well respected industrial newsletter published on the west coast, Beale's Resource Industry newsletter. Reference is made to a report published in the United States by the president of the Alyeska Pipeline Service Company the purpose of which is to set out the United States case in support of the west coast tanker route. The president stated:

The dependency on foreign crude sources in district V is greater than comparable dependency in the aggregate of district I-IV.

In other words, the interior of America is already well supplied by internal oil resources. It is the coastal area which has economic problems. The article goes on to point out as follows:

Shipment of North Slope crude oil to district II could lead to a current underutilization of existing systems and a future oversupply in that district at the expense of district V—

The uncertainties associated with any trans-Canada pipeline indicate it could not be built without much delay and greater cost than suggested in the environmental impact statement.

He points to the seriousness of the Canadian native claims issue which he feels would upset going ahead with the Mackenzie route. The report continues:

A trans-Canada pipeline would raise significant environmental issues where there is currently no established forum for dealing with them and could involve regulatory and jurisdictional delays beyond any reliable estimate—

Canadian equity financing would be necessarily limited and requirements for transportation of Canadian oil could result in excessive net resource costs to the United States.

The report goes on to document various reasons why they do not want to accept the Mackenzie Valley route and why they consider the less costly, more flexible, totally

U.S.-operated and controlled west coast route to be more desirable. And so it seems evident as we watch—

Mr. Deputy Speaker: Order, please. I interrupt the hon. member to remind him of the agreement reached as to the time to be allotted to speeches. The hon. member's time has expired.

Mr. Deachman: Perhaps hon. members would be good enough to give me a few more moments. I shall be finished in a very few moments.

Mr. Deputy Speaker: I will put it to hon. members. At the same time, I will incorporate with that request the suggestion that the hon. member for Cumberland-Colchester North might be allowed the 15 minutes to which he is entitled. Is that agreeable to hon. members?

Some hon. Members: Agreed.

Mr. Deachman: Thank you, Mr. Speaker. In summary, I would like to particularly praise the work of the hon. member for Esquimalt-Saanich in his fight before the U.S. courts and in congressional committees in an effort to point out what this issue means environmentally to the Puget Sound and Georgia Bay areas. I would remind hon. members how effective the hon. member has been in making the people of Canada, the people of the United States, the Congress of the United States and this Parliament aware of these problems.

I would also praise my colleague, the hon. member for Victoria, for what he has done. He has made some extremely valuable suggestions as to what could be done on the west coast to ensure more effective control of tanker traffic. We must recognize that tanker traffic is coming, and I very much doubt that it is within the power of this Parliament or the people of Canada to prevent these vessels operating on the high seas off the west coast and in and out of U.S. ports.

While I do not have time today to discuss the details of the measures advocated by the hon. member for Victoria, may I simply refer to his suggestion that an elaborate system of radar control operate on the west coast to keep this traffic under surveillance throughout its passage. This program would provide rigid inspection and would prevent rust-buckets, as one hon. member called them a moment ago, entering the sheltered waters of the west coast. The hon. member also suggested provision of harbours of refuge for vessels in danger, places where safety gear might be kept ready for use whenever oil spills occur.

It will be seen, therefore, that work is being done to bring about better rapport between Canada and the United States in an effort to control these matters, and that suggestions are being made by Members of Parliament both to our own government and to the United States as to what can be done to control this growing threat.

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, at the outset I wish to say that in my opinion this has been a very useful debate today after what might be termed a lost weekend yesterday. I think the government has materially assisted in allowing the amendment proposed by the hon. member for Yukon (Mr. Nielsen). It was accepted today by the Secretary of State for External Affairs (Mr. Sharp) on behalf of the government.

• (1650)

The International Joint Committee now will not only have authority to consider the matter by way of reference but will also have the necessary resources, financial and otherwise, to produce results that will provide protection to the people of the United States and Canada against hazards, real and realized, from the tanker transportation of oil.

The gravity of the situation can best be appreciated when the facts are examined. We learned that within three to five seconds between 4,000 and 12,000 gallons of oil were spilled into the ocean. We in Nova Scotia know the frightening dangers to the ecology from oil spills. The *Arrow* disaster in Chedabucto Bay resulted in 1.2 million gallons of crude oil plastering 190 miles of our province's shoreline, killing wildlife and costing the taxpayers of this nation a fortune.

The oil spill in British Columbia is a drop in the bucket compared to the *Arrow* disaster and the danger of future disasters to British Columbia from tankers which will have a 100,000-ton dead weight capacity as compared with the 18,000-ton dead weight capacity of the *Arrow*. The hon. member for Vancouver Quadra (Mr. Deachman) was talking about tankers with a 250,000-ton dead weight capacity and the possibility of still larger tankers being built.

I have a 1972 year book issued for the "National Fisherman" in which is a picture of one of the great supertankers being produced. Part of the accompanying story reads as follows:

> Controversy over proposed superports—deep water terminals to receive oil tankers which may range up to one million tons dead weight in another decade—

That indicates what the people of British Columbia have to face in the future so far as tanker traffic is concerned along their shorelines. We in Nova Scotia appreciate how frightening this whole situation is for members who come from that area of Canada and the people who live there, just as we are frightened in Nova Scotia about similar future problems associated with our coastline.

What concerns me about this debate, just as with the situation at the time of the *Arrow* disaster, is that we approach each of these disasters as they occur, and when they occur, to our ecology on a piecemeal basis. The time has arrived for an integrated, national long-term policy which will ensure control and regulation of all such activities be they problems of pollution associated with the Great Lakes, tanker traffic on the east and west coasts or the development of nuclear power plants whether the sites be on either of our coasts or in central Canada.

While the residents of British Columbia have this week been concerned about the oil spill from the Cherry Point refinery, we in Nova Scotia have been concerned about the possible construction of a nuclear power plant on Stoddart Island in Shag Harbour. We were told discussions were being held between officials of a United States group and Mr. Regan's government about the possible

construction of a $2 billion, 12,000 megawatt nuclear generating station with power to be exported from that plant by cable under the Atlantic Ocean to the northeastern United States.

Surely the dangers inherent in such a project are just as real and even more deadly to our environment, as well as to those who live in the area of Nova Scotia, as the oil spills on both the east and west coasts. Surely we should before now have had definite statements as to just who can build these plants, as well as in respect of the dangers to the public of such a power station and the relative dangers associated with the CANDU-type nuclear power station as compared with the United States light water reactor which has been proposed for construction by United States interests on Stoddart Island.

It was helpful to learn from the Minister of Energy, Mines and Resources (Mr. Macdonald) today that the type of reactor proposed for Nova Scotia had not been authorized in Canada and will either require a change in the criteria or a refusal of the application. We must certainly have some guarantee from the government as to the safety of these nuclear power stations from almost every point of view. I am informed that the Pickering I nuclear power station had to be cut back from full energy production to 80 per cent capacity as a result of a build-up of cobalt 40, the same substance used in the cobalt bomb. Pollution Probe has contended this is the highest concentration found in a non-military device. It is also contended by Pollution Probe that there is a higher level of radioactivity in the Pickering area than is normal. We must act in an attempt to solve this type of pollution problem as well as pollution from oil spills. We must have greater assurance than we have at present that pollution associated with the CANDU method of nuclear power generation is less dangerous to the public and the environment than other methods of power production.

It has been my view that the CANDU method of nuclear power generation produces a great deal of radioactive waste. It is urgent, also, that we obtain new assurances with regard to effluents, for again I understand the Pickering I nuclear power station also had to be cut back because its production capacity was heating up the lake into which it dumps its effluent to such a degree that it was dangerous to the resources of the area. Again I should like to refer to the "National Fisherman" and its reference to the dumping of effluents into waters by nuclear power plants. It reads:

> Dumped indiscriminately, waste heat can raise water temperatures near discharge tubes more than 20 degrees F, disrupting migratory and reproductive cycles and killing fish or driving them away.

That is an indication of the type of danger associated with nuclear power generation. We should be involved in an over-all examination of all types of pollution developed by man in various ways. This is particularly so if we are to build nuclear power stations in this country, just as it is if the United States is to build tankers with a dead weight of a million tons capacity to carry oil from Valdez to Cherry Point or some other refinery on the west coast, creating tremendous danger to the people of British Columbia from every environmental and ecological point of view.

We should have the same assurance when the government approves the development of nuclear power stations whether it be by Atomic Energy of Canada Limited or someone else. We must have every guarantee that there will be no danger or that the danger will be very minimal to our environment, the ecology and the people who live in the area.

There is a suggestion that in the Chicago area of the United States, where a nuclear power generating station has been built, the incidence of stillborn children is greater the closer you get to the power station. This is information gathered during a study carried out in the United States by environmentalists. Surely we do not want to be party to the construction of that type of station which will kill children even before they are born. We already have evidence that there is more radioactivity in the environment the closer you get to the Pickering nuclear power station. Surely we should not place communities in a position where our people might suffer this kind of danger.

• (1700)

Coming from the Atlantic provinces, I find it strange that there should be talk of nuclear power stations by the government of Nova Scotia and the government of New Brunswick which have at their doorstep the tides of the Bay of Fundy which could produce a similar amount of power which would be completely pollution free. I believe, also, we must have an assurance from the government as to who should have the right to build nuclear power stations. I endeavoured to obtain today some information in this regard from the Minister of Energy, Mines and Resources.

Should a group of United States citizens, who are not allowed to build or who cannot receive a permit to build a nuclear power station in their own country, be permitted to come to this country as a private group of individuals and receive permission to build a nuclear power station here which would direct most of the energy produced back to the United States where it is required? Surely it is stupid for us to become involved in such a situation, especially when we consider the danger inherent in many aspects of the production of nuclear power.

I should like to thank you, Mr. Speaker, for your kindness in allowing me to speak for 15 minutes in this debate. I should also like to congratulate the hon. member for Fraser Valley East (Mr. Pringle) for putting this motion before the House. Some people may say it was done through trickery. I do not care why or how it was done. I believe this has been a very useful debate. It is the type of debate which the people of Canada wanted the House of Commons to have today. I think the New Democratic Party deserves credit for seeing that the disaster of yesterday became a useful mechanism for today so that Members of Parliament of all parties would have an opportunity to express their points of view on the tremendous problems associated with man-made pollution and how we can best correct the situation.

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

Some hon. Members: Question.

Mr. Deputy Speaker: The question is on the amendment of the hon. member for Yukon (Mr. Nielsen). Is it the pleasure of the House to adopt the amendment?

Some hon. Members: Agreed.

Amendment (Mr. Nielsen) agreed to.

Mr. Deputy Speaker: The question is now on the main motion as amended. Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion (Mr. Pringle) agreed to.

Mr. Deputy Speaker: Order. It being after five o'clock, this House stands adjourned until Monday next at 2 p.m.

At 5.07 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, June 12, 1972

The House met at 2 p.m.

ROUTINE PROCEEDINGS

NATIONAL HOUSING ACT

AMENDMENTS RESPECTING CO-OPERATIVE HOUSING, LOANS TO NON-PROFIT ORGANIZATIONS, FINANCING OF CORPORATION, NEIGHBOURHOOD IMPROVEMENT, ETC.

Hon. Ron Basford (Minister of State for Urban Affairs) moved for leave to introduce Bill C-213, to amend the National Housing Act.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

OLD AGE SECURITY AND GUARANTEED INCOME SUPPLEMENT

Question No. 333—**Mr. Stewart (Okanagan-Kootenay):**

1. How many persons receive (a) Old Age Security (b) Guaranteed Income Supplement?

2. What was the net cost of (a) the basic Old Age Security (b) the Guaranteed Income Supplement for the fiscal year 1970-71?

3. What percentage of the federal budget do these expenditures represent?

Hon. John C. Munro (Minister of National Health and Welfare): 1. (a) As of January, 1972, 1,759,036; (b) as of January, 1972, 976,225.

2. (a) $1,627,219,132; (b) $280,005,371. However, increases in benefits under the Guaranteed Income Supplement effective April 1, 1971, brought expenditures close to $525 million for the fiscal year 1971-72.

3. Expenditures on Old Age Security pensions and the Guaranteed Income Supplement are not themselves included in federal budget expenditures, because these payments are made from a separate fund designated for this purpose, namely the Old Age Security Fund. However, in 1970-71, expenditures on Old Age Security pension benefits and the Guaranteed Income Supplement were 12.71 per cent of total federal budgetary and non-budgetary expenditures, on a national accounts basis. These expenditures for 1972-73 are estimated at $2,555 million which represent 13.45 per cent of estimated federal budgetary and non-budgetary expenditures for that year.

FAMILY INCOMES

Question No. 343—**Mr. Mather:**

1. Does the government have information on the estimated income which will provide a modest but adequate Canadian standard of living for a family of four and, if so, what is the estimate?

2. What percentage of Canadian families make less than $5,000 a year?

3. What percentage of Canadian families make less than $10,000 per year?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of National Health and Welfare and Statistics Canada as follows: 1. There is no existing official statistical concept of poverty in Canada. However, Statistics Canada has established low-income cut-offs which have been used to delineate low-income families from other units. For a family of four, in 1969, the income cut-off was set at $4,420. In its report, the Special Senate Committee on Poverty has recommended that basic allowance rates be set initially at $3,500 for a family of four. Among provincially established social assistance programs in January 1972, the annual rate of benefits for a family of four ranged from $2,604 in Nova Scotia to $3,252 in Ontario. Also, under the proposed Family Income Security Plan, a family of four, depending on whether there are two or three children, will receive full benefits where family income is less than $5,000 or $5,500 respectively.

2 and 3. The most recent figures available on incomes are for the year 1969. The following income figures include income from investments and government transfer payments as well as income from employment. 24.8 per cent of families had incomes below $5,000 per year; 66.6 per cent of families had incomes below $10,000 per year.

FAMILY INCOME SECURITY PLAN

Question No. 355—**Mr. Robinson:**

What is the estimated amount of money that will be paid to recipients under the new family allowance program, does this exceed the amount paid out under the old plan and, if so, by how much?

Hon. John Munro (Minister of National Health and Welfare): The proposed Family Income Security Plan will replace not only the family allowances program, but also the current youth allowances progam. The estimated cost of the Family Income Security Plan in the first year of operation and the amount now expended on current programs, including Quebec schooling allowances, are $820

million and $650 million respectively, so that the additional costs of the new proposals are estimated at $170 million.

CMHC TASK FORCE ON LOW INCOME HOUSING

Question No. 416—**Mr. McCleave:**

Did CMHC commission a task force under Michael Dennis and, if so (a) for what purposes (b) how many reports were requested by the task force and from whom (c) what will be the total cost of this task force?

Hon. Ron Basford (Minister of State for Urban Affairs): In January, 1971, a study of low income housing was commissioned by CMHC, to be carried out by a task force, headed by Mr. Michael Dennis. (a) The main purposes of the study were to examine present approaches to low income housing, and the extent to which current program meet stated objectives, and also to consider what the future role of CMHC in the low income housing field might be. The study was to provide, over the long run, a range of policy alternatives supported by research.

(b) The following ten studies were commissioned by the Low Income Housing Task Force: (i) Melvin Charney: study of the adequacy and production of low income housing. (ii) G. Fortin: study of social and institutional aspects of the provision of low income housing in Quebec. (iii) Professor George Molins-Ysal: study of the residential housing construction industry. (iv) Dr. Aprodicio Laquian: study on internal migration and low income housing. (v) Michael Clague: study of citizen group development in Vancouver and its implications for low income housing policy. (vi) Professors Deutsch and Green: study of the public finance aspects of low income housing. (vii) Professor Helen Abel: preparation of policy recommendations in the area of rural housing. (viii) M. Fernand Hwon, CRURINRS: study of the housing projects under CMHC directive administration in Montreal. (ix) Mr. George Hunter: study of housing policies and programs of the federal departments and agencies other than CMHC. (x) Planning Secretariat of Manitoba: study of low income housing in Manitoba undertaken in conjunction with the Task Force on Low Income Housing.

(c) The cost of the task force as at February 29, 1972, was $322,857.05.

PENSION OF RIGHT HON. LESTER B. PEARSON

Question No. 529—**Mr. Godin:**

Does the former Prime Minister of Canada, the Right Hon. Lester B. Pearson, receive a pension from the government and, if so, is it subject to income tax?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Privy Council office and the Department of Supply and Services as follows: The Right Hon. L. B. Pearson receives a pension as a former prime minister under the terms of the Members of Parliament Retiring Allowances Act and also receives an annuity under the Civil Service Superannuation Act. These pensions are subject to income tax. Parliamentary pensions payable to former Members of Parliament are under the administrative jurisdiction of the Speaker of the House of Commons.

[Mr. Munro.]

POST OFFICE DEPARTMENT—RECRUITMENT OF PERSONNEL FOR QUEBEC OFFICE

Question No. 545—**Mr. Godin:**

1. Does the Quebec office of the Post Office Department recruit staff through competition or personal interview?

2. If by competition are they public or simply reserved for a small group?

Hon. Jean-Pierre Côté (Postmaster General): 1. The Quebec postal region recruits its staff by open competition. Candidates are expected to fill out an application form which is subsequently studied by a personnel officer. If the candidate claims to possess the required qualifications and he passes the written examination, in cases where such is a requirement, he will be called for interview by a selection board. The personal interview, therefore, is an integral part of the competition process. No employee is admitted to permanent status within the Department who has not been interviewed. I must add, however, that the Quebec postal region, in common with departmental practice across Canada, does not necessarily resort to open competition when filling positions for which there are adequate candidates within the department. This applies to nearly all supervisory or promotion positions, and for certain lower level positions which are filled from the ranks of casual or part-time employees. A personal interview would not necessarily be held, for instance, if a part-time employee, who was well known to the supervisor, was moved into a permanent position. He would, however, have been interviewed when first recruited as a part-time employee.

2. There are no restrictions as to who may or may not apply in an open competition.

POST OFFICE REVENUE FROM RENTAL OF LOCK BOXES

Question No. 572—**Mr. Penner:**

1. What revenue is derived annually by the Post Office Department from the rental of lock boxes to boxholders?

2. Has the minister or his officials considered making these available free of charge in communities which lack letter carrier service?

3. Is the present box rental system discriminatory against those who live in small communities which do not have household mail delivery and, if so (a) for what reason (b) what steps are contemplated to eliminate such discrimination?

Hon. Jean-Pierre Côté (Postmaster General): 1. During the fiscal year 1970-71 the revenues derived from the rental of lock boxes amounted to $5,061,338. The revenues from this source for the fiscal year 1971-72 will approximate $4,875,000. Final figures not available.

2. In communities which lack letter carrier service, the normal means of free delivery in smaller centres is over the counter; in the rural areas delivery is made by a rural route courier. The lock box service is an optional service and an additional convenience supplementary to the normal free method of delivery. The policy of the Post Office is that the cost related to the operation and administration of this service should be borne by those who benefit directly from it.

3. No. Lock box fees in the urban centres are higher than in the rural centres because salary and accommodation costs are much higher in the urban centres.

BANNING OF HORSES TO EUROPE FOR SLAUGHTERING

Question No. 588—**Mr. Mather:**

Is consideration being given to banning further shipments of horses to Europe for slaughter purposes?

Mr. Marcel Lessard (Parliamentary Secretary to Minister of Agriculture): All aspects of horse shipments to Europe are being studied.

*DEPARTMENT OF SOLICITOR GENERAL' SECURITY PLANNING AND RESEARCH GROUP

Question No. 589—**Mr. Diefenbaker:**

1. How many hours a week, since April 1, has the Security Planning and Research Group in the Department of the Solicitor General met for the purpose of studying the nature, origin and causes of subversive and revolutionary action and the measures necessary to protect Canadians from internal threats?

2. What are the salaries of each of the members of the said Group?

3. How many meetings have there been between the said Group and the Solicitor General to advise him on the information compiled and analysed by them since the above date?

Mr. Jack Cullen (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, the answer to the question is somewhat long and I wonder if we might have it printed in *Hansard* and taken as read.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

[*Editor's Note: The answer above referred to follows:*]

1. Since the Security Planning and Research Group is an integral part of the Headquarters of the Department of the Solicitor General, its members work during the normal daily working hours each working day, i.e. 8:30 a.m. to 12:30 p.m. and 1:15 p.m. to 5:00 p.m., Monday to Friday inclusive. Overtime work is required from time to time. It is difficult to state how many hours were devoted to any particular subject.

2. As of May 15, 1972 the salary ranges of each member of the Security Planning and Research Group were: P. Banning, $15,360-$15,990; H. Black, $15,236-$20,557; R. Bourne, $22,000-$28,000; B. Cantin, $8,903-$10,603; L. Cloutier, $14,988-$17,031; W. Dabros, $17,340-$19,860; R. Gaudet, $14,988-$17,031; L. Paquette, $7,602-$8,356; M. Valenti*, $6,358-$6,989; and P. Wallace, $14,988-$17,031.

*M. Valenti replaced S. Hoffman as a member of the Group on May 15, 1972.

3. Information compiled and analysed by the Group is passed to the Solicitor General by normal departmental channels through the Deputy Solicitor General. The Solicitor General is given briefings from time to time by the Head of the Security Planning and Research Group when necessary or at his convenience.

ROCKLAND, ONTARIO—SITE OF NEW POST OFFICE

Question No. 592—**Mr. Lambert (Edmonton West):**

1. Was land recently acquired by the government in Rockland, Ontario as a site for a new post office and, if so, on what date?

Questions

2. What was the nature of the enquiry for suitable sites and who made it?

3. If such person was not in the Public Service of Canada, what were the terms of engagement and what was the cost thereof?

4. How many sites and/or offers of sites were considered and of these (a) how many were suitable (b) what was the price involved in each case?

5. What is the area of the site finally chosen, at what cost, and from whom was it finally acquired?

6. Have any objections been received from local residents as to the choice of site, and what was their general nature as well as the reply?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. Yes, on December 28, 1971.

2. Improved postal accommodation was the subject of enquiry; it was performed by officers of the Department of Public Works, Capital Region.

3. Not applicable.

4. Four sites were considered (a) Only two sites presented suitable conditions, adequate area, and fair cost; (b) Cost of first site: $20,000; cost of second site: $15,000.

5. The site chosen presented an area totalling 25,992 square feet. The cost involved amounted to $15,000. The Department purchased the land from the following parties: Boucher, Fernand; Boucher, Come; Thivierge, Claudette.

6. No objections were raised.

ALLOCATION OF FUNDS BY CMHC FOR COUNTIES OF HALTON AND WENTWORTH

Question No. 594—**Mr. Alexander:**

1. How many projects in the county of Wentworth and the county of Halton were in receipt of CMHC funds of amounts exceeding $100 thousand during 1970, 1971 and to date in 1972?

2. (a) What type of projects were involved (b) where were they located by way of municipal address (c) what were the names of the firms in receipt of the funds?

Hon. Ron Basford (Minister of State for Urban Affairs): 1 and 2 (a) (b): See table attached.

2. (c) It is not customary to release the names of borrowers under the NHA, since this is considered to be a matter of confidence in mortgage transactions between lender and borrower.

[*See table on following page.*]

POLICING BY ARMED FORCES FOR ARCTIC POLLUTION CONTROL

Question No. 607—**Mr. Yewchuk:**

1. To date, what role has the Departmenf of National Defence played in the prevention and control of air, water and land pollution in the Arctic?

2. How many members of the armed forces are presently maintained in the Arctic for purposes of policing (a) the pollution-control zone (b) the new fisheries closing lines?

Gross CMCH Activity in Halton and Wentworth Counties, Ontario, 1970—March, 1972
Projects Receiving more than $100,000

Location	Loans for Housing												Loans for Infrastructure				Grants		Investments	
	Low Rental Section 15				Public Housing Section 43				Student Housing Section 47				Sewage Treatment Section 51		Implementation of Urban Renewal Projects Section 25		Implementation of Urban Renewal Projects Section 24		F/P Land Assembly Section 40	
	Loans	Units	Hostel Beds	$000	Loans	Units	Hostel Beds	$000	Loans	Units	Hostel Beds	$000	Loans	$000	Loans	$000	No.	$000	No.	$000
Halton County																				
Burlington.....1970	—	—	—	—	1	141	—	1,163	—	—	—	—	2	545	—	—	—	—	—	—
1971	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Jan.-Mar.....1972	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Georgetown.....1970	—	—	—	—	—	—	—	—	—	—	—	—	1	121	—	—	—	—	—	—
1971	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Jan.-Mar.....1972	—	—	—	—	1	38	—	413	—	—	—	—	—	—	—	—	—	—	—	—
Milton.....1970	—	—	—	—	1	36	—	358	—	—	—	—	—	—	—	—	—	—	—	—
1971	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Jan.-Mar.....1972	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Oakville.....1970	—	—	—	—	—	—	—	—	—	—	—	—	1	287	—	—	—	—	—	—
1971	—	—	—	—	3	271	176	5,460	—	—	—	—	—	—	—	—	—	—	—	—
Jan.-Mar.....1972	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Wentworth County																				
Dundas.....1970	—	—	—	—	—	—	—	—	—	—	—	—	1	209	—	—	—	—	—	—
1971	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Jan.-Mar.....1972	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hamilton.....1970	3	538	—	6,415	3	228	—	2,862	—	—	—	—	1	5,000	—	—	1	3,143	2	1,953
1971	2	637	—	8,100	1	201	—	1,782	1	10	356	1,817	—	—	1	1,048	—	—	2	2,375
Jan.-Mar.....1972	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Stoney Creek.....1970	1	87	—	980	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1971	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Jan.-Mar.....1972	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waterdown.....1970	1	98	—	1,076	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1971	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Jan.-Mar.....1972	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Saltfleet Twp.....1970	—	—	—	—	—	—	—	—	—	—	—	—	1	326	—	—	—	—	—	—
1971	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Jan.-Mar.....1972	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Hon. E. J. Benson (Minister of National Defence): 1. The Department of National Defence has been engaged actively in an anti-pollution campaign in the Arctic for the past several years. Most of the activities have been carried out with other federal departments who have jurisdiction in the area. The main pollution problem is litter and debris. In 1970, air support was provided to Department of Indian Affairs and Northern Development to carry out reconnaissance of four abandoned Distant Early Warning sites. In 1971, this program was continued to include an additional 12 sites. The reconnaissance of the five remaining sites which are located on Baffin Island will be carried out during the summer of 1972. Air reserve squadrons have assisted in these reconnaissance and pollution survey missions. As a result of the findings from these reconnaissance flights, a cleanup of Stokes Point. Y.T., is scheduled for July 1972. This will be a combined operation between DND and DIAND and will serve as a pilot project to determine the financial and manpower requirements for the clean-up of the other sites. The Department of Environment is scheduled to carry out an inspection of selected active DEW line sites this summer to ascertain conditions at these locations. At Canadian Forces' Station Alert, a work party and a drum crusher will eliminate pollution from discarded oil drums. A sanitary landfill operation also will be put into operation to alleviate the solid waste disposal problem. Garbage emanating from exercises and manoeuvres in the north is transported out for proper disposal.

2. No members of the Canadian Armed Forces are maintained in the Arctic for the specific purpose of policing (a) the pollution control zone (b) the new fisheries closing line. However, Mobile Command long range patrol aircraft when flying over the Arctic report pollution and fishing control zone violations.

CANADIAN ARMED FORCES—NUMBER OF EMERGENCY CALLS RELATING TO PERSONS LOST IN FORESTS

Question No. 626—**Mr. Laprise:**

By province, and for each year since 1968, how many emergency calls for persons lost in the forest were answered by the Canadian Armed Forces?

[*Translation*]

Hon. E. J. Benson (Minister of National Defence): The Canadian Armed Forces are responsible for all aspects of air search and rescue in the areas of Canadian SAR responsibility and for the co-ordination of marine search and rescue in Canadian territorial waters and in designated oceanic areas off the Pacific and Atlantic Coasts. There are four Search and Rescue regions—Halifax, N.S., Trenton, Ont., Edmonton, Alta., Victoria, B.C. Prior to 1970, statistics on missing person incidents were not recorded as a separate category of occurrence from other forms of search and rescue nor are they maintained by province. During the calendar years 1970 and 1971 the Canadian Forces participated in a total of 198 searches for missing persons, and the following is a breakdown by region:

SAR Region	1970	1971
Halifax, N.S.	28	28
Trenton, Ont.	22	21
Edmonton, Alta.	24	13
Victoria, B.C.	32	30

* * *

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

INFORMATION CANADA

Question No. 87—**Mr. Coates:**

1. What was the total work force of all government information offices prior to the establishment of Information Canada?

2. What is the work force of all government information offices at the present time?

3. What is the total work force of Information Canada at the present time?

4. What is the total budget of Information Canada for the fiscal year 1971-72, and of that amount, how much is earmarked for salaries, wages, and special personal contracts for services rendered?

Return tabled.

LOCAL INITIATIVES PROGRAM—FEDERAL ASSISTANCE BEAUCE CONSTITUENCY

Question No. 499—**Mr. Rodrigue:**

Under the Local Initiatives Program and since its inception, were funds invested by the Department of Manpower and Immigration in the constituency of Beauce and, if so (a) what was the total amount (b) what is the complete list of groups who benefited from the program (c) what amount was granted to each group?

Return tabled.

ORAL QUESTION PERIOD

FINANCE

CANADIAN DOLLAR EXCHANGE LEVEL—MEASURES TO REDUCE SHORT-TERM CAPITAL INFLOW—ASSISTANCE TO EXPORTERS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have had a question or two for the Minister of Finance for some days now. He has not been able to be in the House and he is not here today.

Mr. Hees: Here he comes.

Mr. Stanfield: I wonder whether the Minister of Finance could tell me if it is his view and the view of the government that the present level of the Canadian dollar in relation to the United States dollar is a temporary phenomenon or whether he proposes to make a statement and take any measures in this connection?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I do not intend to make a statement at this time. As to whether or not it is temporary, I cannot forecast that for the hon. gentleman or for the House. I will leave it at that for the moment.

Inquiries of the Ministry

Mr. Stanfield: In view of the fact this is taking place despite the deficit on current account and the falling off in our trading position, and in view of the fact the main reason for the increase in the level of our dollar seems to be the inflow of short-term money resulting from the differential between our short-term interest rates and other short-term interest rates, can the minister give us any information as to the volume of the inflow of short-term money coming into Canada?

• (1410)

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the hon. gentleman is quite right that if one were to take the current account alone, which has fallen off from a surplus position, one might draw one's conclusions as to the exchange rate. But aside from the general weakness of the U.S. dollar, which has made that problem a universal one, there are two situations in Canada affecting the Canadian dollar particularly, and about which I have been concerned.

One has to do with the amount of current borrowing for long-term funds by the provinces on foreign markets. The other has to do with a strong demand by the Canadian banks for short-term capital, short-term money, in order to relieve their liquidity problems. I might say that on that latter subject I had some discussion with the Canadian Bankers Association when I was in Winnipeg on Thursday night.

Mr. Stanfield: Am I to infer from the final sentence in the minister's answer that he has suggested some guidelines to the banks with regard to the borrowing of short-term funds from abroad?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I spoke to representatives of the Canadian banks on the occasion of the annual meeting of the Canadian Bankers Association in Winnipeg last Thursday. During the course of my remarks I said we were concerned about rates of interest and the exchange value of the Canadian dollar.

I have now received from the president of the Canadian Bankers Association a request that I approve an agreement among the banks that will have the effect of reducing the rates paid by banks on their larger certificates of deposit, that is to say, street deposits maturing within one year. I have already indicated my approval in principle of this agreement under section 138 of the Bank Act because in my view it will contribute to the objectives of the government in the field of finance affecting interest rates and in the realm of foreign exchange.

Mr. Stanfield: I would like to ask the minister whether it is the position of the government to permit the Canadian dollar to remain at this level or whether the minister is considering measures to assist our producers and exporters in the event that this condition continues?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, our producers and exporters, manufacturers and processors, have already received a good deal of flexibility and support as a result of the budget measures announced in the House on May 8. As to whatever other action the government might take, that would depend on events.

[Mr. Turner (Ottawa-Carleton).]

INCREASE IN SHORT-TERM CAPITAL COMING INTO CANADA—CONSULTATION WITH BANKS TO LOWER INTEREST RATES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in view of the fact that most economic analysts think that part of the reason for the rise in the Canadian dollar vis-à-vis the American dollar is the large amounts of foreign capital which are coming into Canada on a short-term basis to take advantage of the high interest rates here, would the minister tell the House to what extent there has been an increase in the amounts of short-term capital coming into the country in the last six months? Has there been a substantial increase, and to what extent?

Hon. John N. Turner (Minister of Finance): Yes, Mr. Speaker. If the hon. gentleman is referring to the response of short-term money crossing into Canada as a result of Canadian banks certificates of deposit, yes, that amount was substantial, in fact, in the amount of half a billion dollars.

Mr. Douglas: Is the minister taking any steps to consult with the banks and other financial institutions with a view to bringing our interest rates into line with the interest rates for short-term capital both in Europe and in the United States so as to make Canada a less attractive market for these short-term deposits of capital from outside and in order to stop the upward spiral of the Canadian dollar?

Mr. Turner (Ottawa-Carleton): Yes, Mr. Speaker. That was the result of the request that the major banks made to me and with which I agreed. It would have the effect of reducing the interest rate on certificates of deposit to about 5¼ per cent, which is about 1 per cent below what it was on Friday. That will have the effect of being less attractive to short-term money coming into Canada.

Mr. Douglas: In view of the minister's statement that part of this serious situation is due to the purchase of bonds in the United States by provinces and municipalities in view of the attractive rates available there, is the government taking any steps to provide a market in Canada for provincial and municipal borrowing?

Mr. Turner (Ottawa-Carleton): I am exploring ways for extending the facilities of the Canadian capital market, and I will be talking with the provinces about the question of borrowing outside and the accommodation that might be achieved by them within the Canadian capital market.

PURCHASE OF AMERICAN DOLLARS—REQUEST FOR INFORMATION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I asked a couple of questions on Friday and they were replied to by the Secretary of State for External Affairs as Acting Prime Minister who said that they would no doubt be answered when the Minister of Finance returned to the House. I should like to know whether the minister would provide the House with a record of the purchases of American dollars by the Canadian government during the past month. Usually the

amount is set out at the end of each month. Would the minister be able to furnish the House with information now as to the present situation with respect to those purchases?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, there is nothing secret about these figures; they are published monthly.

Mr. Diefenbaker: In view of the serious situation of the Canadian dollar and the direction in which it is going, will the minister give that information to the House? I realize, of course, that normally it is only given once a month, but I think he will remember that when I was in office the opposition of that day asked for the information and we furnished it.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I recall those facts very well indeed because I asked for the information. Although a motion for the production of those figures was granted by the House, I do not recall the minister of finance of that time giving them to us when the House was sitting before the election. In any event, I will look into that precedent to see whether it applies.

Mr. Diefenbaker: Mr. Speaker, I do not know why the minister found it necessary to inject that. I should like to ask the minister whether, when he met with the Canadian Bankers' Association, he was impressed by the words of the president to the effect that if the federal government were a business it would go broke at the current rate of spending?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the Canadian Bankers' Association is in the business of banking and not in the business of trying to run this country. I disagree with that.

Mr. Speaker: Order, please. Hon. members will appreciate that we are still on the original question. Perhaps we might try to complete the first round of questioning and hon. members may enter the lists again on the second round.

* * *

AGRICULTURE

TOBACCO—FROST DAMAGE IN SOUTHWESTERN ONTARIO—ASSISTANCE TO PRODUCERS—REPLACEMENT OF PLANTS

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is for the Minister of Agriculture who is supposed to be in the House today but is not present. I shall direct it to the Prime Minister because it is very urgent. Because of the widespread disaster throughout the tobacco belt of southwestern Ontario and in view of the fact that most tobacco farmers are not covered by insurance against spring frost, would the Prime Minister assure the House that the Department of Agriculture will either give aid to those hit or make sure that a sufficient number of healthy young plants are made available from Quebec and the United States as soon as possible so that a crop can be harvested before the September 15 deadline for autumn frost insurance?

Inquiries of the Ministry

Hon. Otto E. Lang (Acting Minister of Agriculture): Mr. Speaker, the Department of Agriculture is joining in the assessment of this situation. It is too early at this stage to anticipate what action may be desired or required, but certainly the department is staying in close touch with the situation.

Mr. Blackburn: Would the Acting Minister of Agriculture assure us, in the eventuality there are federal funds available, that the government will enter into an agreement with the province as well so that both levels of government will be able to assist the tobacco farmers?

• (1420)

Mr. Lang: Obviously, Mr. Speaker, it would be improper at this stage to attempt to speculate on what measures might follow in a hypothetical situation.

TOBACCO—FROST DAMAGE IN SOUTHWESTERN ONTARIO—SUGGESTED FACILITATING OF IMPORT OF REPLACEMENT PLANTS

Mr. William Knowles (Norfolk-Haldimand): I have a supplementary question, Mr. Speaker. Since the tobacco board is negotiating for the importation of plants from Virginia to replace those lost by frost, will the minister discuss with the plant protection service ways in which they could facilitate the importation of these young plants into Canada?

Hon. Otto E. Lang (Acting Minister of Agriculture): Mr. Speaker, that sounds to me like a very reasonable suggestion.

TOBACCO—FROST DAMAGE IN SOUTHWESTERN ONTARIO—INCLUSION OF OTHER CROPS IN SURVEY

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, may I direct a supplementary question to the acting minister who has indicated that a survey is to be made of tobacco. Since other major and costly crops are involved, can the minister assure the House that when the survey is made it will cover the total damage and not be restricted to one specific crop?

Hon. Otto E. Lang (Acting Minister of Agriculture): Mr. Speaker, of course that is what the department is doing. It already has some preliminary information with regard to other crops, some of which it may also be possible to replant in certain circumstances. The question as originally addressed was, of course, solely in relation to tobacco.

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[*Translation*]

REGIONAL ECONOMIC EXPANSION

CLOSING OF CIP PLANT IN TEMISCAMING—DISCUSSIONS WITH QUEBEC AUTHORITIES AND BUSINESSMEN RESPECTING REOPENING

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a question for the hon. Minister of Regional Economic Expansion.

Inquiries of the Ministry

Concerning the town of Temiscaming, where the International Paper Company of Canada closed down some 12 days ago, has the minister any statement to make as to resumption of operations at Temiscaming and has his department made any offers yet to provincial authorities or to groups of businessmen who would be prepared to take over the operation of the plant?

Hon. Jean Marchand (Minister of Regional Economic Expansion): I know that discussions are under way in this regard, Mr. Speaker, but I shall inquire as to the latest news and I shall be in a position to report to the hon. member on Wednesday.

* * *

[*English*]

MANPOWER

DISCONTINUANCE OF RELEASE OF FIGURES OF LAY-OFFS OF 50 OR MORE PERSONS

Mr. S. Perry Ryan (Spadina): Mr. Speaker, my question is addressed to the Minister of Manpower and Immigration. As the Department of Manpower is no longer releasing figures monthly on lay-offs of 50 or more persons, will the minister make a statement giving the reasons for the withholding of this information, as it is affecting the true picture of lay-offs in Canada?

Mr. Speaker: The hon. member for Fundy-Royal.

Mr. Ryan: Mr. Speaker, may I ask a supplementary question?

Mr. Speaker: The hon. member may ask a supplementary.

Mr. Ryan: Mr. Speaker, as the department has ceased, since February, issuing figures with respect to lay-offs of 50 or more persons, will the minister look into the situation and try to reinstitute the former practice?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, I will certainly see what was the logic behind any change in policy and report to the House.

* * *

CANADIAN BROADCASTING CORPORATION

DISPUTE WITH NABET—STATUS OF NEGOTIATIONS

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Minister of Labour. Can the minister announce the settlement of the strike between NABET and the Canadian Broadcasting Corporation? If not, has the department's mediator withdrawn his services, or just what is the status of this much too long drawn-out labour dispute?

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, I cannot, unfortunately, make that announcement today. As to the second part of the question, the two parties are meeting jointly. They met during the weekend and I believe that they have further meetings scheduled.

[Mr. Caouette.]

The federal mediator is not currently meeting with them. He would, of course, be available provided that constructive negotiation is going forward as, indeed, it is now going forward between the two parties.

* * *

IMMIGRATION

REQUEST FOR INQUIRY INTO ADMISSION OF PERSHING GERVAIS INTO CANADA

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Minister of Manpower and Immigration which I am sure he expects me to ask him today. In light of the conflicts and contradictions which have arisen in connection with the case of Pershing Gervais, and in light of the minister's refusal to co-operate in having immigration matters referred to a committee of the House, will the minister at least order an independent inquiry into this matter, make available the files of his department and request his predecessor to appear and make a statement to this independent inquiry?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, I am satisfied with the conduct of my predecessor. If there is any contradiction, it is in the mind of the hon. member who last night quoted the wrong section of the Immigration Act.

Mr. Baldwin: But his facts were right.

Mr. Mackasey: Second, the estimates of the department were discussed at length last week before the appropriate committee and his party was, of course, well represented. Every opportunity was given to investigate the case. We have nothing to hide at all in the Pershing Gervais case.

Mr. Baldwin: Mr. Speaker, I have a supplementary question to the Prime Minister. In light of the fact that a crisis does exist, certainly at the ministerial level and below, will the Prime Minister refer this matter to his new crisis centre and will he do this right away before this centre is swamped with work, which obviously will be the case?

Mr. Speaker: Order, please.

SUICIDE OF ALICIA WIERCIOCH—REASON FOR DEPORTATION ORDER

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a supplementary question. In view of the conflict in the reasons for the deportation order, can the minister, without any equivocation, now advise us as to the original reason for the institution of the deportation order?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, I missed the beginning of the question. Will the hon. member please repeat it?

Mr. Alexander: In light of the fact there is a conflict as to the reason for the original institution of the deportation order, can the minister, without any equivocation, now

advise us as to the original reason for the institution of the deportation order?

Mr. Mackasey: Mr. Speaker, there was no deportation order in the case of Mr. Gervais. He left the country voluntarily. When he left the country voluntarily, I rescinded the ministerial permit on the ground that he is not necessarily the type of person I would welcome back into Canada.

Mr. Alexander: Perhaps we are not on the same wavelength. The case I am referring to is that of Alicia Wiercioch.

Mr. Speaker: Order, please. That question is not supplementary to the previous question. The hon. member might be recognized in a moment. Perhaps I am wrong, but in any event the hon. member can ask the question in a moment. I will now recognize the hon. member for York South.

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GOVERNMENT ADMINISTRATION

NATURE OF ALLEGED CRISIS MANAGEMENT CENTRE

Mr. David Lewis (York South): Mr. Speaker, my question is for the Prime Minister. Reference has already been made to the agency about which I want to ask the Prime Minister. Will the Prime Minister inform the House when the crisis management centre was set up in the Privy Council office or his office, and what is the purpose of that particular group in that office?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there is no crisis management centre. There is a post occupied by General Dare for the purpose of studying the matter of crises and, essentially, finding ways of dealing with them. However, at this stage, it is merely a study. It was made known when General Dare was appointed to that post from the Department of National Defence by way of a press release last March.

Mr. Lewis: Will the Prime Minister inform the House whether this crisis management centre is to deal with all the areas the newspaper report suggests, namely, floods, fires, acts of God, economic affairs such as Washington policy, national security and national unity? Is the crisis management centre studying action by the government in all of these various areas?

Mr. Trudeau: Mr. Speaker, I am afraid the hon. member did not listen to the answer to his previous question. I said that there was no crisis management centre.

Mr. Lewis: Mr. Speaker, I respectfully suggest that the Prime Minister is playing with words. He does admit—

Mr. Speaker: Order, please. It seems there is now debate between the Prime Minister and the hon. member. The hon. member has been recognized for the purpose of a supplementary.

Mr. Lewis: Mr. Speaker, may I ask the Prime Minister whether there is a group studying the reaction by the government in possible crises—I understand there is such a study group headed by General Dare—and whether this group is studying matters in all the areas that I suggested and perhaps in other areas or whether their studies are confined only to certain areas with which the government might be concerned in terms of crises?

Mr. Trudeau: Mr. Speaker, I answered that there is one gentleman, General Dare, who is conducting a study in the Privy Council office. The terms of reference are quite general. I would be prepared to table them if it would help the hon. member understand what precise areas he is studying.

• (1430)

Mr. Lewis: Do I understand from the Prime Minister that General Dare is the only person in that group and that there are no others associated with him in that study, for example, Colonel Sutherland, or a gentleman with some such name as that?

Mr. Trudeau: I have never heard of Colonel Sutherland. To my knowledge, General Dare was given an assignment in the Privy Council office with very precise terms of reference. I will look into the matter to ascertain whether there is anyone assisting him directly or indirectly.

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IMMIGRATION

SUICIDE OF ALICIA WIERCIOCH—REASON FOR DEPORTATION ORDER

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I will put my question again to the Minister of Manpower and Immigration. I believe he is familiar with the situation to which I am referring. In view of the conflict of evidence concerning the circumstances surrounding the deportation order, can the minister tell us what was the original reason for the deportation order being issued?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): I would be helped in answering if I knew what conflict the hon. member has in mind. I know that the appeal of the lady in question against the previous rejection of her application to remain in the country was turned down by the Immigration Appeal Board on the ground that it could find no evidence that if she were returned to Poland she would be persecuted. At that moment she was automatically notified she would be deported unless, of course, she would have availed herself of other opportunities to appeal further. Her lawyer indicated that he intended to appeal to the Federal Court but, of course, he did not do so in the light of her untimely death.

Mr. Alexander: The minister has given us to understand that the deportation order was issued because this person had not acquired the necessary points under the assessment system when, in fact, deportation order proceedings were started as a result of her having found a job. Can the minister clarify the situation and advise the House which of these factors was the basis for the invocation of the deportation order?

Inquiries of the Ministry

Mr. Mackasey: The lady in question was given permission to work. Press reports that she was being deported for working in Canada illegally are erroneous. When she appeared before a special inquiry officer and her application was rejected she was given permission to work in the interval while waiting for her case to be heard by the Immigration Appeal Board.

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[*Translation*]

UNEMPLOYMENT INSURANCE

MEASURES TO HASTEN PROCESSING OF CLAIMS IN CASES OF ILLNESS

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I wish to direct a question to the Minister of Manpower and Immigration responsible for the Unemployment Insurance Commission.

Can he indicate whether together with the UIC he is studying procedures to be used to hasten the study of claims for unemployment benefits in cases of illness?

[*English*]

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Yes, Mr. Speaker, we are working very closely with private industry, always conscious of the fact that it is our duty to authorize payment of unemployment insurance benefits, sickness and maternity benefits, only when we are satisfied that the claims are lawful.

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CONSUMER AFFAIRS

INQUIRY AS TO ACTION AGAINST PRODUCERS OF UNSATISFACTORY LIFEJACKETS

Mr. David MacDonald (Egmont): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. In view of the verdict returned by a coroner's jury on Thursday of last week in Toronto citing unsatisfactory flotation jackets as a contributing factor in the drowning death of a number of youths on the Humber River, can the hon. gentleman inform the House whether, under the terms of the Hazardous Products Act or some other act administered by his department, any action against the producers of the lifejackets in question is being taken or studied?

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): I have instituted an inquiry into this matter of flotation jackets and I will give the hon. member an answer as soon as possible.

SUGGESTED INVESTIGATION OF FOOD INDUSTRY

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): Mr. Speaker, while I am on my feet may I take this opportunity to answer certain questions that were directed to me last week in my absence?

The hon. member for Vancouver-Kingsway inquired as to the possibility of an investigation into concentration in the food industry. I would refer her to a report on concentration in the manufacturing industries in Canada published in 1971 on the basis of a study undertaken in the office of the Director of Investigation and Research, Combines Investigation Branch and, more particularly, to the annual report of the director for 1971, pages 16-29, relating to concentration in food retailing. In accordance with what appears in the latter report, the director is keeping the situation under active review.

The hon. member for Greenwood inquired about—

Mr. Speaker: Order, please. There has to be some order if the hon. minister is attempting to answer a number of questions. Perhaps we might dispose of the earlier one first. The hon. member for Egmont has a supplementary.

INQUIRY AS TO ACTION AGAINST PRODUCERS OF UNSATISFACTORY LIFEJACKETS

Mr. David MacDonald (Egmont): I am grateful for the minister's concern and interest in this matter. In view of the fact that we are now entering upon the season of active boating, could the minister set forth clearly what the safety standards are in terms of appropriate quality, and how they can be enforced by his department? Perhaps the hon. gentleman would consider making a statement in the House or issuing a press release, because this information will be of importance to those of the public who will be purchasing lifejackets in the next few weeks.

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): I will try to answer that as part of my answer to the first question.

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MANPOWER

LOCAL INITIATIVE PROJECTS—SUGGESTED PROVISION OF SUMMER CHILD CARE FACILITIES TO ENABLE SOLE-SUPPORT MOTHERS TO CONTINUE WORKING

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a question for the Minister of Manpower and Immigration in connection with the status of women. In view of the fact many sole-support mothers presently working on local initiative programs will be forced to leave their jobs and go on unemployment insurance or welfare unless summer child care facilities can be provided for their school-age children, will the minister consider funding such a program which would enable these women to live independently of social assistance and would in the long run save money for the taxpayers?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): While the hon. lady's representations appear to be very laudable I am sure they are addressed to the wrong minister. The $30 million which I have at my disposal for programs this summer has been allocated to projects which were already in existence and which we felt should be continued. This limits my scope considerably and no doubt makes it virtually impossible for me to assist such worth-while programs.

Mrs. MacInnis: May I ask the Secretary of State whether he would consider funding such centres for the care of children of school age so that their mothers will not be obliged to collect social assistance or unemployment insurance payments?

Mr. Speaker: That is a representation. The hon. member has to assume that the matter will be considered.

Mrs. MacInnis: May I ask who is the right minister to address? Who is the minister to whom I should direct these questions?

Mr. Mackasey: I can only suggest that the hon. lady might find an appropriate minister in each of the provinces of Canada.

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FLOODS

BRITISH COLUMBIA—REQUEST BY PROVINCE FOR ASSISTANCE

Mr. Len Marchand (Kamloops-Cariboo): Mr. Speaker, I have a question for the Prime Minister. In view of the very serious flood situation in several parts of British Columbia, could the Prime Minister advise the House whether the federal government has yet received a request for assistance from the province of British Columbia?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker. I received such a telegram from Premier Bennett on Friday or Saturday, I believe. He was asking, primarily, for two things, first, that the federal government designate a person to liase with the committee he is setting up to study the flood situation headed by Mr. Wallace. We have already designated Mr. Harries who is the regional director of the Emergency Measures Organization for British Columbia.

The telegram also asked whether there would be any sharing by the federal government in compensation payments. The answer is, of course, that the federal government, as I told the hon. member for Okanagan Boundary last week, does share with the provinces in certain circumstances when they are caught in emergency situations and when the provinces themselves participate to a certain degree in compensation.

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NORTHERN AFFAIRS

PROPOSED HIGHWAY AND PIPELINE CORRIDOR—CONSULTATION WITH NATIVE PEOPLE ON LOCATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. It has to do with the corridor to the north for pipelines and a highway, presumably, which the Prime Minister announced. Would the right hon. gentleman indicate the nature of the consultation which took place with the native people in the territory as to the location of the corridor, prior to his announcement?

Inquiries of the Ministry

Right Hon. P. E. Trudeau (Prime Minister): The Minister of Indian Affairs and Northern Development has repeatedly told the House that he was in constant contact with the Indians and that he had urged them to select the areas in the territories which they would want to occupy under the existing treaty rights. Beyond that, consultation and communication are frequent and constant.

• (1440)

Mr. Stanfield: May I remind the Prime Minister that when the guidelines announced in 1970—

Mr. Speaker: Order, please. We are running short of time. There are about seven minutes left before the end of the question period. We might try to proceed a little faster.

Mr. Stanfield: Mr. Speaker, I am reminding the Prime Minister of the undertaking in those guidelines regarding consultations with industry and other interested groups. May I ask the Prime Minister what consultation, to his knowledge, took place with regard to the corridor route for the highway and pipelines prior to his announcement? Specifically what consultations, to his knowledge, took place with the native peoples?

Mr. Trudeau: Mr. Speaker, I have no dates in my memory but I am sure that the Minister of Indian Affairs and Northern Development could inform the House and the hon. member of the dates when he consulted with various native groups.

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POST OFFICE

REQUEST FOR REDUCTION IN POSTAGE RATES FOR ETHNIC PRESS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Postmaster General and concerns the representations that have been made from time to time by the ethnic press, small in number but numerous in the various newspapers that are published. They have protested the oppressive and discriminatory high postal rates charged them and have asked for an amelioration of those rates. The ethnic press does a great deal for Canadian unity. In view of that fact and the smallness of their circulation, will the minister do something to assist them to continue by reducing the postal rate to that paid by periodicals or papers in towns or villages under 10,000 population?

Hon. Jean-Pierre Côté (Postmaster General): Mr. Speaker, I too have a lot of sympathy for these newspapers and others who suffered an increase in rates a few years ago, but any changes in rates of this kind would need an amendment to the law and I am not ready to say when the law will be amended.

Mr. Diefenbaker: Mr. Speaker, would the minister not give consideration to an amendment now rather than waiting until a change of government?

Mr. Speaker: Order, please. May I again bring to the attention of hon. members that we are running short of

time. A number of members in the back rows will again be left by the wayside today. I will try to recognize some of them, but I believe the hon. member for Oshawa-Whitby has a supplementary to an original question.

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FINANCE

POSSIBLE NATIONAL PRIORITY GUIDELINES FOR BANKS—SUGGESTED MANDATORY PROVISION OF MONEY FOR HOUSING AT LOWER INTEREST RATES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Finance. In view of the statement made on the weekend by the Minister of State to the effect that the banking industry of Canada needed guidelines established by the government in order to achieve certain national priorities, could the minister inform the House if we might expect a statement soon on what these guidelines might be and in what areas they might fall?

Hon. John N. Turner (Minister of Finance): I would want to read that speech before commenting, Mr. Speaker.

Mr. Broadbent: In view of the fact a set of national priorities must include adequate housing for all Canadians, and in view of the further fact that for some years now the majority of Canadians have been unable to pay the high interest rates established by Central Mortgage and Housing Corporation, would the minister consider making it mandatory for the banks of Canada to set aside a certain percentage of their investment capital each year to be lent to average and low-income people at interest rates in the neighbourhood of 5 to 6 per cent to enable them to buy houses?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I would have to look into that closely to see whether there is any merit in that suggestion.

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POST OFFICE

POSITION OF NEGOTIATIONS WITH UNIONS ON NEW CONTRACT

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Postmaster General. Now that almost three months have passed since the expiry of the contract with the postal unions, has the hon. gentleman a progress report to make to the House on the matter?

Hon. Jean-Pierre Côté (Postmaster General): Mr. Speaker, last week the meeting of the negotiators was cancelled by the union at the last minute. The next meeting is scheduled for June 14, in two days.

Mr. Dinsdale: Has there been any upgrading of the offer that was rejected by the unions on May 10, particularly with reference to the proposed regional pay scale which has become quite contentious?

[Mr. Speaker.]

Mr. Côté (Longueuil): No, Mr. Speaker, but we are waiting for their demands.

Mr. Speaker: The hon. member for Edmonton Centre.

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LABOUR RELATIONS

QUEBEC—LONGSHOREMEN'S STRIKE—STATUS OF NEGOTIATIONS

Hon. Marcel Lambert (Edmonton West): Edmonton West, Mr. Speaker. My question is for the Minister of Labour. In view of the very disastrous effects on the grain trade, as stated over the weekend, as a result of the Montreal dock strike, is the minister in a position to announce progress of any sort whatsoever with regard to the union's attitude, with regard to the government's attitude and with regard to management's attitude, so as to resolve this very disastrous strike that, frankly, is a blot on the Canadian record right now?

Mr. Lewis: It is a lockout.

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, I can only reiterate my request to the two parties to set aside the reservations they have regarding the procedure that the law requires and that the collective agreement provides, that is to say, that they take this dispute to arbitration. I think that is all I can say at this time.

Mr. Lambert (Edmonton West): A supplementary question, Mr. Speaker.

Mr. Speaker: Order, please. I will recognize the hon. member for Edmonton West for a supplementary but following that I will recognize the hon. member for Edmonton Centre who was pre-empted a moment ago.

Mr. Lambert (Edmonton West): May I suggest to the minister that he is taking a most unrealistic attitude in view of the public interest—

Mr. Speaker: Order, please.

Mr. Lambert (Edmonton West): May I ask the minister whether he is prepared to act—

Mr. Speaker: Order, please. The hon. member for Edmonton Centre.

Mr. O'Connell: The hon. member should bear in mind—

Mr. Speaker: May we have order, please. The Chair has recognized the hon. member for Edmonton Centre.

Mr. Paproski: Thank you, Mr. Speaker. Now that my question has been answered may I rise on a question of privilege to correct an article written about me by Southam News Services this weekend, which stated that I claimed that the Immigration Appeal Board was inhuman, ruthless and treated people like cattle. I did not refer to the Immigration Appeal Board specifically but to the entire immigration structure and immigration policy of this government.

Mr. Speaker: Order, please. The hon. member knows that if he wants to rise on a question of privilege, which he may very well have, he has to do it as required by the Standing Orders, namely, by giving notice.

I apologize to a number of hon. members who were not recognized today. I am not going to name them, but I have made a note of their desire to ask questions and I will try tomorrow to give some priority to gentlemen who do not occupy the front row.

Mr. Lewis: Mr. Speaker, may I ask a very short question supplementary to the one put by the hon. member for Edmonton West?

Mr. Speaker: Order, please. This would have to be done by consent since the question period has expired. Orders of the day.

• (1450)

GOVERNMENT ORDERS

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed, from Wednesday, May 24, consideration of the motion of Hon. John N. Turner (Minister of Finance) that this House approves in general the budgetary policy of the government.

Hon. James Richardson (Minister of Supply and Services): Mr. Speaker, at this stage of the budget debate, the fifth day, most of the facts, figures and policies have been examined and discussed by both sides of the House. My purpose in entering the debate at this time is to elaborate on one sentence in the budget speech, a sentence that I consider to be important above all others. Also, I particularly want to enter the debate at this time so that I can speak about the purchasing policies of the federal government, the policies of my department, as they relate to that sentence in the budget speech.

Along with what else the Minister of Finance (Mr. Turner) said on May 8 were these words:

> National unity has a great deal to do with equality of opportunity—equality of opportunity for Canadians, no matter where they happen to be born or where they happen to live in our country.

The kind of equality of opportunity I will talk about is equality of opportunity for Canadians from coast to coast who want to sell their manufactured goods and their services to their federal government; in other words, those who want to sell to the national government. I believe hon. members know the Department of Supply and Services is a purchasing department and also an accounting department. I have often said that had we been called the purchasing department and the accounting department of government, more Canadian citizens would know what we do. In fact, however, we do more than that. We do many more things. We are responsible for materiel management, for warehousing, for the disposal of equipment and also the provision of management consulting services, as well as the provision of complex computer services.

Therefore, because we do more than simply purchasing and accounting we have been given, in someone's wisdom, the somewhat obscure title of Supply and Services.

The aspect of our operation about which I want to speak particularly today is purchasing, because the department is one of the largest purchasing organizations in Canada. As it buys more than $1 billion worth of goods and services each year, its operations affect the lives, particularly the business lives, of many Canadian companies large and small. We make purchases from literally thousands of Canadian companies. On behalf of other government departments, we are busy each day buying everything from pencil sharpeners to the largest computers, everything from toothpaste to the most advanced and modern aircraft.

When I first began to look over the vast amount of purchasing undertaken for the federal government through my department I was surprised—and I may say as a western Canadian I was somewhat amazed and under some circumstances annoyed—to find the extent to which federal government purchasing was concentrated in a relatively small region of Canada, a region not more than 300 miles from the national capital, in a country 4,000 miles wide. When I looked at the figures, I found out that year in and year out more than 85 per cent of federal government purchases were made in the two central provinces of Ontario and Quebec. It did not seem to me that figures such as these were consistent with equality of opportunity for Canadians. I am therefore pleased to have this occasion to tell the House that for some time now we have been in the process of evolving purchasing policies which will help correct this concentration of purchasing and will give Canadians from coast to coast a greater opportunity to sell to their national government.

When Canadians are selling to the federal government they are, of course, selling to themselves because as taxpayers in a sense they are both buyers and sellers. In what I am saying today I want to emphasize that I am talking about an evolving purchasing policy. I am talking about something that is partly in place and in operation, and partly in the process of formation. That which is still in the process of formation constitutes goals or objectives rather than established policy.

The policy I am now developing within the department has three main characteristics or three main parts. The first part, which is still in the nature of an objective, is that we propose to establish federal government purchasing targets within four large regions of Canada. These targets would be based roughly upon the population in each region. For this purpose, the regions must be large because obviously we want to have competition within the regions. If we selected one small province and tried to localize buying in that province we would not have the competition necessary to obtain the lowest price. Therefore the regions for which we want to establish targets within the department are four. The first area is the Atlantic provinces region which I think of for this purpose as Canada East. Quebec is one region and Ontario is one region. The four provinces in the west for this purpose, and also for some other purposes from time to time, I call Canada West.

If we examine the figures for federal government purchasing which has actually taken place over the past six years, we find that under 6 per cent of all purchases have been made in the four Atlantic provinces. We find that over 40 per cent of these purchases have been made in Quebec, some 44 per cent in Ontario and under 10 per cent in the region of Canada West. When we consider establishing targets based on the population of these regions, we find that the Atlantic provinces contain almost 10 per cent of the Canadian population, Quebec approximately 28 per cent, Ontario 35 per cent and Canada West 27 per cent. Comparing the number of Canadians in each of these four regions with the amount they have been able to sell to their national government we find that in Canada West 27 per cent of the population receives under 10 per cent of federal government purchases. In the Atlantic provinces, 10 per cent of the national population has been receiving less than 6 per cent of federal purchases. In Quebec, we find 28 per cent of the national population and more than 40 per cent of the national purchases. In Ontario, we find 35 per cent of the population and some 44 per cent of the purchases. These figures do not cover just the last week or month but are averages over the last six years.

In other words, the story is quite clear. The federal government which after all is a national government, a coast-to-coast government, does not buy in equal measure or in anything approaching equal measure from all the citizens and taxpayers of the country. I do not believe it would be practical to make a hard and fast rule requiring that federal government purchases meet established targets in each region. However, I should like to see our purchasing policy so ordered that federal buying in each of these four regions, would, in percentage terms at least, approach the populations of those regions. Our first objective is to establish targets.

The second characteristic of this evolving policy—and this part in fact is now being implemented and is policy—is to increase the amount of purchasing done through our regional offices. Last year for those who may be interested in the total figures we purchased $178 million of government requirements through the regional offices, while $897 million was spent on what we call national purchases made from Ottawa. Members of the House will appreciate that we can reach the kind of fair regional balance that I am talking about in one of two ways. We can either increase the amount of regional buying that is done from the centre or we can increase the buying that is done through the regional offices. Those are two distinct operations, but they both have the effect of increasing regional buying.

• (1500)

There is a clear advantage to more regional buying, which is that when we purchase through regional offices, in most cases we have a substantial cut in the distribution costs of the goods purchased, particularly when they are required in the area in which the purchase is made. As well, in order to increase the regional buying we have been actively seeking new sources of supply, that is we have been looking for companies across Canada which have never before sold to the federal government. This is just "good business" so far as the government is concerned, because of course the more suppliers we have the more competition we can have among suppliers. I think the House will be interested to know that a number of businesses that have never before sold to the federal government are now receiving orders. These are orders and contracts that are open to tender and are awarded to the lowest bidder.

Looking for a moment at some specific areas in the purchasing field, may I point out that it is encouraging to see that the amount of federal government printing business, awarded in this case, in the prairie provinces during six months, that is during the half year ending March 1972, exceeded the total of printing business that companies on the Prairies received during the whole of the previous year. I should like to point out also that in the Atlantic provinces we have been successful in encouraging the development of marine technology, and substantial purchases of marine equipment have been made in that region. Still another example is the government's furniture requirements which used to be purchased centrally and then distributed to all parts of the country with relatively high distribution costs. I have already reported to the Miscellaneous Estimates Committee that a major part of the federal government's furniture requirements in western Canada, not their total furniture requirements but the furniture required in western Canada, has now been won under competition by western Canadian firms, and this furniture is now being manufactured in western Canada.

Still speaking about regional purchases, I am encouraged to be able to report that the purchases in our regional offices in western Canada increased by 21 per cent in the last fiscal year over the previous year. In the case of the Atlantic provinces, the percentage increase was even higher and amounted to 27 per cent over the previous year. In looking at these percentage increases, encouraging as they are, it is of course necessary to realize that the western and Atlantic regions started from a very low base and there is still a long way to go to achieve equality of opportunity or even to approach the regional targets mentioned earlier.

Finally, the third and most important characteristic of federal government purchasing which I think should be considered relates to the cost of transportation. It is apparent to everyone that in a country of vast distances there are many companies that are a long way from the destination where the goods are required and thus are prevented from bidding effectively because of transportation costs. A proposal which I intend to discuss further with my colleages is the establishment of a policy under which any Canadian who wishes to sell to his national government can bid on the basis of his costs at his plant, that is his bid will be judged f.o.b. plant rather than f.o.b. destination which would of course then include transportation costs to destination. This proposed policy would be one way to demonstrate clearly that as the national government we really mean what we say when we talk about equality of opportunity for Canadians in all parts of Canada.

Before speaking further on that aspect of our policy, I should like to refer to a speech which the Prime Minister (Mr. Trudeau) made in my home city of Winnipeg a few

days ago on May 26. I need hardly say that he was speaking to a crowded audience.

Some hon. Members: All Liberals.

Mr. Richardson: An enthusiastic Liberal audience.

Mr. Paproski: Thus alienating the westerners.

Mr. Richardson: Among many things the Prime Minister said in his address, this—this statement stood out and I would like to quote it for you—"no Canadian should feel distant from the federal government". He was not referring there of course to a Liberal or a Conservative government; he was referring to the national government.

Mr. Paproski: Did he cry?

Mr. Richardson: There was no reason for tears on this occasion.

Mr. Alexander: Maybe not on his part, but on ours there is.

Mr. Richardson: What he went on to say was that whether he lived in the Yukon, in Newfoundland, in the Gaspé Peninsula or on the Prairies, every Canadian should regard himself as close to the federal government as those who happen to live near Parliament Hill.

Mr. Dinsdale: Especially at election time.

Mr. Richardson: No, at any time. It would seem to me to be very consistent with that concept if we were able to say to all Canadians when you sell to your government you can compete with each other based on the costs in your own plant and upon your own efficiency, but so far as transportation costs in this land of great distances are concerned, every one of you can sell to the national government in the same way as you could if you happened to live near Parliament Hill. The government of course cannot eliminate inefficiency within a business, and in that sense all Canadians cannot bid equally—some are clearly more efficient than others, and it is to the benefit of our whole economy that they are. But we can do something about eliminating the disparity of distance, and it is in that direction that I hope to continue to move our purchasing policies.

I should emphasize that nothing in this suggestion—and this is for anyone who may be concerned about the big plants in this region or in any other region of Canada—would be harmful to any manufacturer anywhere in Canada. No one anywhere would be put at a disadvantage. The largest plants in the heavily industrialized regions of Canada would of course still retain the advantage of size and the advantage of whatever efficiency they have attained as well as the continuing advantage of proximity to the national capital and to the national buying offices of the government. Of course, they would also retain some advantage in the cost of their inward freight. It is important to realize, for instance, that a printer in western Canada, even if he is able to bid f.o.b. his plant and therefore has no transportation cost on the finished product, still has to move the bulk paper into his plant before he can bid against a company that does not have to move its raw materials the same distance.

• (1510)

In summary, Mr. Speaker, what I have been talking about is the desirability of moving further towards federal government purchasing policies that will increase equality of opportunity for Canadians from coast to coast, equality of opportunity for Canadians who wish to sell to the national government. I have talked about the establishment of federal government purchasing targets for each of the four large regions in Canada. I have talked about increasing the volume of federal purchasing through regional offices, and I have mentioned the progress we have made in that direction. Third, I have said that it would be fair play if anyone who wishes to sell to the federal government were able to have his bid judged according to the costs in his own plant, and not judged on the cost at destination. I am convinced that these policies in combination will help to achieve the goal of equality of opportunity. It seems only right to me that national purchases should bring about nationwide economic benefits.

Before I conclude, Mr. Speaker, I should respond briefly to the hon. member for Brandon-Souris (Mr. Dinsdale) who made a contribution to the budget debate several days ago. He made his usual worthwhile contribution, and mentioned—

Mr. Paproski: Stick with us, Jim. We'll make you Prime Minister.

Mr. Richardson: There's a good suggestion.

An hon. Member: You won't. Somebody else will.

Mr. Richardson: The hon. member for Brandon-Souris made a number of comments, and first I would like to thank him for some of his references to my efforts to try to explain the aspirations of western Canada, many of which he has outlined himself. In particular, he mentioned a seminar which was held in his home city of Brandon. It was a two-day seminar and was a very successful one at which I had the honour to be a guest panellist. We talked all day, and I am afraid a few of us talked most of the night. We covered a lot of ground, and it would be impossible to give the conclusion which the hon. member has requested. I wish he had been there because it was a non-partisan occasion throughout which his colleague, the able young member for Lisgar, attended.

If I tried to say in a sentence what that seminar concluded, as I have been asked to do, I would say to the hon. member for Brandon-Souris that western Canadians concluded that what the west wants is a greater participation in industrialization, in scientific, technological, advanced, economic endeavour. What happens is that the west has a tremendous agricultural base, a tremendous resource base, a tremendous energy base. But as long as it concentrates on policies for those, important as they are, it still is a hinterland of a sort. It still has a very adverse balance of trade, of manufacturing trade, with the eastern provinces of Canada.

So really the issue which was faced in those two days, and resolved, was that in western Canada we must build an advanced society on top of the agricultural base, and on top of the energy base, and on top of the mining

resource base. That is the point that has to be clarified, because we all spend a good deal of time talking about the agricultural requirements of the west. And they are important, Mr. Speaker, but we could sell not just a billion bushels, we could sell two billion bushels of wheat and we still would not have answered the needs of western Canadians who are going to university in Edmonton, Calgary, Saskatoon, Winnipeg and, of course, Brandon. These young people are not in university so that they can be wheat farmers. They are there because they want to be designers, engineers, and computer technicians. That is the requirement and that was the conclusion.

How we are to achieve this was also concluded at that meeting, and again I will try to put it in two sentences. It is in one of two ways. Clearly, the west must achieve greater influence at the centre. We can either have a strong central government in which there is a strong regional voice—obviously this would be comparable to the American central government and its decentralized space program and other programs—or the alternative has to be, in a federation, to increase the influence of the provinces or the regional governments, if they become regional governments. Those are the alternatives, and I think that at the present time we are making headway in the first direction. We are achieving some decentralization. We are achieving some of the west's requirement for participation in the economic endeavours of the nation, in major programs like the aerospace program. But these have still to be proven as we go down the road. We will have to see in the future if the west participates in these great national programs in the way it must before we determine which of those answers we finally choose in order to achieve the obvious potential of that region.

That is a very quick summary, Mr. Speaker, but I felt that as the hon. member for Brandon-Souris had called on me at least three or four times during his address, I should try to respond briefly, although it was not the main theme of my speech today.

Mr. Dinsdale: Spoken like a good western Conservative.

• (1520)

Mr. Richardson: So, Mr. Speaker, the Minister of Finance was not addressing himself to the purchasing policies that I have been describing, but I am encouraged by the central theme of his budget address.

I think that I may say in conclusion that all of us who were in the House on the evening of May 8 listening to the Minister of Finance recognized immediately that Canada could be standing on the threshhold of a new era. We realized that we were listening not only to a new man at the helm of the vital Department of Finance but also that we were listening to a new definition and a clearer understanding of the all-important relationship that must exist, in a free society, between the men who run the government of the day and the men who manage the large and the small business enterprises of the nation. I am convinced, as I know the Minister of Finance is, that it is the degree of confidence which business and government have in each other that will ultimately determine the economic success of our whole society. The Minister of Finance's budget has taken us farther toward the achievement of that mutual confidence than any single document in recent time.

Mr. Speaker: Order, please. I regret to interrupt the hon. member, but in the last few seconds he mentioned that he was reaching a conclusion and that is why I did not interrupt him. However, he has gone beyond his time and he can continue only with the consent of the House.

Mr. Knowles (Winnipeg North Centre): Finish your paragraph.

Mr. Richardson: Thank you, Mr. Speaker. I realize that I have concluded two or three times, but I will end by saying that I not only support the motion that the House approve the budgetary policies of the government but I endorse and support as well the other statements that I have quoted. I have pointed out that the Prime Minister has talked about the need for every Canadian to feel as close to the federal government as those who happen to live near Parliament Hill, and that the Minister of Finance has talked about the fact that national unity has a great deal to do with equality of opportunity for all Canadians no matter where they happen to live in our country. I have referred not only to my wholehearted agreement with these statements but to the specific changes in the purchasing policies of the government that will, in fact, help to achieve this equality of opportunity in all parts of Canada. I have talked about what my department, within its area of responsibility, can do to make equality of opportunity from coast to coast a reality, an actual living, day-to-day, reality.

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, the opportunity to take part in this budget debate is one which I deeply appreciate. This particular budget, Mr. Speaker, is a long one. It tries to do many things and, although we in the opposition may have some unkind things to say about it, none of us, I am sure, wants to see the measures taken by the Minister of Finance (Mr. Turner) fail, simply so that we can say, in effect, we told you so. Rather, we are optimistic that what has been done by the hon. minister is a step, or even several steps, in the right direction. However, Mr. Speaker, we would all be remiss in our duties as members of Her Majesty's loyal opposition if we did not bring to the attention of the government things which should have been done and benefits which could have been realized through policies that would aid Canadians in general.

This budget finally concedes that it is from the private sector of our economy that the thrust of our economic development must come. It is only from the private sector that we can get the necessary energy and resources to expand our nation. All the best intentioned academics, theoriticians and civil servants, and for that matter politicians, ultimately cannot be anything more than spectators who, in the final analysis, can only exhort the individual members of the private sector of our economy to help us realize our potential. Hopefully, the Minister of Finance will seek advice in formulating our economic policies from people with practical experience instead of relying, as I feel this government has done in the past, on the advice of people long on theory and short on practice.

The hon. Minister of Finance, while adopting measures to benefit businessmen and large entrepreneurs, has failed, and his government has failed, to also single out middle class citizens who are paying a great deal of tax and who are in business in a small way for some tangible economic benefits. For example, even a small reduction in the level of personal income tax would mean that he, and millions like him, would be able to consume more of the goods and services generated by the entrepreneurs. In turn, these entrepreneurs would hopefully increase their production and make available types of consumer goods and services that would herald the economic expansion that we so desperately need in this country to provide, not only a continuing rise in the standard of living, but desperately needed employment opportunities. Members on both sides of this House agree that we must have increased opportunities for employment.

In this particular budget the government has attempted to expedite production ends by giving the private sector the means to expand and increase production, increase its investment, but what about the purchasing means to justify these production ends? Instead of stimulating the general purchasing power of middle income Canadians, in effect this government has taken away the 3 per cent advantage these people had, so the effective tax rate has been increased rather than decreased. This was a regressive step for which this government will have to answer.

If "faith without works is useless", according to the Biblical adage, then surely economic growth and production capacity increases without the means to consume is also useless. Something should be done, in my opinion, to change at least the attitude, if not the policy, of our Canadian banks. They do not have the proper philosophy in financing Canadian enterprises. These banks, for example, have received concessions from various governments over the years. At the present time, according to the report of the Auditor General, $100 million has been made available to them, without cost supposedly, as compensation for cashing various types of government cheques. As I understand it, by law they are obligated to cash these cheques anyway. Canadian banks in my opinion, are too reluctant to take risks. Perhaps an amendment to the Bank Act to actively encourage our chartered banks to not only finance projects, but to actually become involved in them if they are truly Canadian owned and meet certain criteria, would be a constructive step.

If banks were able to, in effect, be participants to some extent in worthy projects, then their assistance and expertise would be available in certain areas of economic development and the banks would be provided with additional and diversified sources of income, which perhaps would ultimately allow them to lend money at lower rates of interest. It is no secret, Mr. Speaker, that some large corporations are now, in effect, in the banking business. They have come into the field of finance with the aid of their retained earnings and large profits. Why would banks not participate, in a converse manner, in the benefits to be obtained from the profits of corporations which they were instrumental in helping to finance or reorganize? I submit it is a concept worthy of study.

Another point I should like to make with reference to financial institutions, Mr. Speaker, is that some particular lending companies and institutions are charging rates of interest which effectively bar needy small businesses from obtaining the type of credit which, in effect, these institutions are urging them to take. It seems to me, for example, that the Industrial Development Bank is a prime example of an institution which sends some of its personnel about the country encouraging and advising small entrepreneurs to take advantage of their expertise and available moneys, but they miss the point that people cannot afford to pay the kind of interest rates that the IDB charges. They cannot afford, either, the other complications that must result if the IDB takes care of financing, such as incorporation, and auditing procedures which in some cases are not necessary. Perhaps I will say more about this a little later, with reference to some of the problems that are facing some of my constituents.

I should like to touch briefly upon another topic which interests me in the provisions of the current budget. I am speaking particularly about the provision dealing with moneys held in trust for disadvantaged persons. This particular provision is found on page 16 of the speech delivered by the hon. Minister of Finance on May 8. In essence, as I understand it, a person who is crippled, or to use the example given by the hon. minister, a victim of thalidomide poisoning, will not be taxed on funds held in trust for his or her benefit until they reach the age of 21 years. To me, this is a rather ridiculous situation. While conceding that it is a good measure and commending the Minister of Finance for introducing it, it seems to me that its effect, or its thrust if you will, is spoiled by putting in an age limit. If a person is under a disability which can be cured through the passage of time, or there is a change in his or her status, fine; let the tax advantage also be removed. But to put a limit of 21 years of age for tax purposes on moneys held in trust for crippled or disadvantaged persons is very ironic. Age has nothing to do with it, and the person's situation or status, or economic circumstances, are not liable to change through the passage of time. Such a person will not become more capable with age, for example, nor will his disability lessen, at least not in a case such as a thalidomide child. Why have this distinction in there? It spoils the entire effect of an otherwise humane provision.

Another implication of the budget which interests me greatly is the apparent lack of federal-provincial co-operation and consultation. For example, although the federal government has manifested clearly its intention to stimulate private enterprise by lowering corporate tax rates, some of the thrust of its policy may well be lost because the government has not had the consent or the co-operation, at least apparently, of some of our provinces. I have the impression that the provinces of British Columbia and Quebec, for example, will not necessarily change their logging tax provisions in order to expedite the federal government's policy with regard to pulp and paper producers. It seems that the tax rate paid by these companies will be higher than that the Minister of Finance intended, since the provinces will not, I think, without some negotiation change their logging tax provisions.

• (1530)

I have heard much, since becoming a member of this House, of federal-provincial co-operation. Conferences

have been held between first ministers and ministers of various departments, federal and provincial; however, as yet, from my position in this House, I have not seen much tangible evidence of federal-provincial co-operation either in the fields of finance or the environment, or, for that matter, in the field of social welfare, as the present situation in some provinces seems to indicate. I think this budget also illustrates that there is a great need for continuing efforts by this government for consultation with the provinces, particularly in the fields of taxation. There is much controversy in the maritime provinces and across the country about provincial governments moving into fields vacated by the federal Minister of Finance. Enough has been said about this already. The point has been made.

I should like, Mr. Speaker, if I may to avail myself of an opportunity to speak, as is traditional in debates such as this, about some of the needs of my constituency. I will do so briefly. I should like to begin by asking the rhetorical but also pointed question, what do our people do when they can no longer follow their normal way of life? What do fishermen do when they are paid for their equipment but told they can no longer fish? What are our miners to do when they are forced to cease a way of life they have known, in many cases, since first entering our work force? Farmers as well face similar difficulties when they find they can no longer make a living in their traditional way. It is all very well to compensate them according to some fixed and, according to definition, equitable scale. All the same, what are they to do? Where are they to go once their means of making a living has been taken from them?

The needs of Nova Scotians in general, and the people of Central Nova, in particular are well known and well defined. Our province needs development, not only by large corporations and government agencies but, as well, by the initiative of its own people, particularly in small ventures which are suited to each region. Hard times in the maritime provinces during this government's tenure of office have become proverbial. Unrealistic transport rates have been set and often discussed in this House. I am pleased that the Minister of Supply and Services (Mr. Richardson) alluded to this aspect in his speech which I have had the honour to follow. It seems to me, in view of what the minister said, that it would be appropriate if I were to introduce a few statistics, as it were, to illustrate our difficulties with transportation. For example, after talking with a friend, Mr. C. P. MacLean of J. W. Macdonald Co. Ltd., who operates a business in Central Nova, I learned that in 1966 it cost the company $1.83 per ton to ship scrap iron from New Glasgow to Sydney, Nova Scotia. In 1968, the rate went up to $2.45 a ton. This year, it costs $3.49 a ton to ship that amount. The greater amount paid in many cases means that there is to be a loss instead of profit. I also learned that, to ship steel to Newfoundland from New Glasgow, N.S. via CNR, costs $20 per ton whereas it is possible to ship steel from Detroit to Newfoundland for $6 a ton. This will show what businessmen in the Maritimes are up against.

In my constituency, we honestly applaud the efforts of the government to develop and open our north. We support that as a national goal, yet we are apprehensive to some extent about the ecological implications and rights

of the native peoples involved. We wonder, too, at the spending of all those millions of dollars for highways to the north—Perhaps not all the implications have been thought out—and yet not even $1 million or $2 million have been allocated to construct a highway to open an area in my constituency in Guysborough county, where the need for such a highway is so obvious that for years reference has been made to the "missing link highway" between the areas of Port Bickerton (Fisherman Harbour) and Country Harbour. This is a development so necessary that it is difficult to see why it has not been expedited before. Mr. Speaker, the whole of the eastern shore of Nova Scotia has been neglected.

The Industrial Development Bank, if I may return to that subject, is not the answer to the financing of a small business. There is too much red tape; there are too many conditions and too high an interest rate is charged for that purpose. What we really require is an agency like an ordinary mortgage corporation which would be given incentives to finance small businesses or even to finance the construction of homes outside well defined town boundaries. In that way, aid could be given to the development of the rural parts of my constituency and province and, to some small extent, help halt the rush towards centralization in urban areas. We may be comforted by knowing that this administration is at least considering taking steps in this direction under its residential mortgage financing legislation. Its scope ought to be broadened and it should be extended to cover the building of small commercial buildings in the eastern shore area of my constituency. The same thing could be said about many other areas where people would like to establish small business enterprises which could be tailored to take advantage of what can be found in those areas.

One sees examples of this in the New England states. For example, people in the area would like to grow and process cranberries, foxberries or blueberries, not only for the tourist trade, but to ship to canneries and food processing plants; they would like to sell scallops and fresh sea foods at roadside booths; to serve good clam chowder and home cooking, to undertake small boat building operations or conduct salt water sport fishing tours; to experiment with aquaculture for clams or oysters; and, to provide necessities such as trailer parks and other amenities for tourists. But, Mr. Speaker, they lack capital. Capital is very necessary, and this budget makes inadequate provision for the kind of capital which is needed if we are to help these areas in Nova Scotia.

This particular budget, as I have said before, is fine for healthy, large corporations which need assistance to improve their competitive positions in major markets, but it does nothing to encourage Canadians who wish to start in a small way and become independent. It does not help the average person to begin a small business.

This government has done nothing constructive to assist the Sheet Harbour area of Nova Scotia, although the matter has repeatedly been brought to the government's attention in the House of Commons by myself and the hon. member for Dartmouth-Halifax East (Mr. Forrestall). That is to say, nothing has been done to compensate for the loss of the pulp mill, which was the only industry of any consequence in the entire shore region, apart from

fishing; and we all know the difficulties in which the fishing industry finds itself because of the extremely timid and reticent attitude, if I may describe it in the kindest terms possible, of the Secretary of State for External Affairs (Mr. Sharp) and of the Minister of the Environment and Minister of Fisheries (Mr. Davis). Surely, Mr. Speaker, the much heralded Department of Regional Economic Expansion could have done something to establish an industry somewhere along this line, in this vast stretch of territory, that would to some extent make up for the loss of the pulp mill which was closed many months ago.

In another area of my constituency, Mr. Speaker, that of Pictou county, there are different problems. It seems obvious that in this area, which is more organized and which has a reasonably diversified industrial type of economy, steps should be taken to have it declared a designated or special growth area within the meaning of the DREE legislation. In this connection, may I quote from part of an article which appeared in the recent Halifax edition of a leading newspaper. It is entitled, "Grits to impose metro government" and, in part, reads as follows:

> There are indications that the Nova Scotia government now is prepared to move firmly toward some form of regional government for the Halifax metropolitan area.

In some ways this is comparable to the industrialized area of Pictou county, to which I referred. I continue:

> —pressure from the federal Department of Regional Economic Expansion (DREE) for some overall planning for this area could force the provincial government to move steadily towards regional government with or without the blessing of the three local municipalities.

I wonder if the Department of Regional Economic Expansion is trying to exert political pressure on municipalities. For example, are municipalities being led to believe that they will not be designated as special growth areas unless provision is made for a certain type of local government? If so, the Department of Regional Economic Expansion should say so, and not beat around the bush on this subject. I appeal to the government directly to do something and take care of the situation in Pictou county. It is an area that is fast growing industrially and needs all the help it can get particularly in view of the government's transport policies.

I, personally, am most concerned about what is happening to agriculture in Nova Scotia, about the steps being taken to alleviate difficulties. I still live in a farming community and have seen the drastic decrease in livestock and farming activity in my area. It might be useful if I were to put on the record at this time statistics to show the drastic decline in farming in Nova Scotia over the years. In 1935, for example, Nova Scotia produced 4,900,000 pounds of creamery butter. At present, Nova Scotia produces less than half this amount. Milk production is down drastically, and there are fewer cattle. The same may be said with regard to sheep. What is really disconcerting is the fact that a census of farms taken in 1931 revealed there were 39,444 farms. Thirty-five years later there were only 9,621, less than one quarter. Consolidation accounts for some decrease in numbers, but consider this, Mr. Speaker. The area of improved land dropped from 2,502,773 acres in 1933 to 1,084,273 acres in 1966. That is a tremendous decline.

In Canada as a whole, if my figures are correct, it appears that the census of farms reveals a decline from 430,522 to 366,128. Total farm land in Canada dropped to 169.7 million acres from 174.1 million acres. That is further evidence of the decline in the agriculture industry. If we are to stop this alarming trend and protect a way of life that has been so good to us and for this country, many government ministers and departments will have to help, not just the Minister of Finance. Surely, we do not want large corporations to be completely pre-eminent in agriculture, yet our present tax policies are forcing the small farmer out of business and into cities where, in many cases, he becomes a sort of refugee. When a man sells his farm and moves to the city, often he cannot adjust. A man who owns land has a stake in this country. He can grow crops, raise animals and contribute something. If you take this way of life away from a man who is used to it, he becomes, in some cases, a burden and not an asset to society.

• (1540)

There has been so much abuse heaped on the government regarding its policy on foreign ownership that one almost hates to kick a government when it is down. The Prime Minister (Mr. Trudeau) recognized the inadequacies of this policy when he asked students in the western part of this nation not to be too hard on it, or words to that effect. This government had a problem regarding the Gray report. It had to take some action, make some gesture before an election. Since the basic contents of the report were leaked, the report could not have been left in limbo indefinitely. Last year the Home Oil takeover bid embarrassed the government. The year before, 1971, Denison Mines had to be dealt with, so the government gave us the Gray report. The basic truth is that it does not have much, Mr. Speaker. Like so much that this government does, it is hardly more than a gesture. If a foreign company wishes to take over a Canadian one but is prevented from doing so, it can start a new company and possibly put an existing one out of business as a result. We must give incentives to Canadians to develop and invest in our own companies by granting tax credits, using a selective capital gains tax or some other device whereby it pays to be a Canadian in Canada.

The former Minister of Finance made a step in that direction when he recognized that small Canadian-owned companies should be treated more equitably with regard to corporation taxes, but more of this spirit is needed. All hon. members must be rather apologetic about this so-called Gray report if this is the best that our government can do. If all we want to do is screen American takeovers, I predict we will see Americans come in and by-pass these provisions by starting their own companies.

We need to limit control in certain key areas. I do not know exactly what Mexico has done over the years, but my information is that the Mexican government has done very well in coming to grips with its foreign ownership problems. In future, if the administration of Mexico wishes to pursue a course of economic union or some scheme of this nature, that is pursue a continentalist policy, they can do so with their national pride and economic strength apparent and intact. A country that is in control of its economy could, when the occasion arises,

participate in a continentalist policy in some areas, but could refuse if it had to participate as a junior partner with a tiny, minority interest. How can one conduct meaningful policies from a posture such as this? I sincerely hope, and I trust my feelings are shared by the administration, that this government can come up with progressive legislation that will give Canadians a positive incentive to develop their own country so that in years to come we will be pre-eminent in our country and not so utterly dependent, as we now are, on foreign capital.

In conclusion, I say to this government that they have only scratched the surface with their foreign ownership policy and budgetary proposals. They are not all bad, but in my humble opinion, they are not all that good. The tax reform legislation is not cohesive and it is not conducive to economic growth. This government has failed to coordinate its efforts with provincial authorities. Instead of talking to the provincial authorities, they have been talking at them. When some of the fellows I worked with in the woods showed up with a fat lip or black eye, I asked them what happened and they replied that they were talking when they should have been listening. This government has been doing too much talking to the provinces and not enough listening. There has not been the degree of co-operation that is necessary between federal and provincial authorities if this nation is to develop properly. The taxation policies have made it very difficult for Canadians to expand their own nation. As the immortal Joe Louis used to say when he was fighting, "they can run, but they can't hide". The Canadian taxpayer can also run and pay, but thanks to the existing tax policy, he has no place to hide any of his assets, not one little area he can call his own when it comes to putting something aside for his old age. I do not think the majority of people in Canada are happy about this policy. Unless this government does something to change it, they will be in for a very rude shock in the not too distant future.

Some hon. Members: Hear, hear!

Mr. Rud L. Whiting (Halton): Mr. Speaker, I would first like to compliment the Minister of Finance (Mr. Turner) on his initial budget which has set priority on the stimulation of Canada's economy. No one can question the need to provide jobs and to aid the competitive setting for secondary manufacturing, particularly in view of the recently announced United States DISC program.

The reduction to 40 per cent in corporation tax is expected to maintain the buoyancy of our economy and, to some extent, compensate for the squeeze on profit margins due to appreciation of the Canadian dollar. It is also expected to help defuse the threat to Canadian production as a result of protectionist moves by our trading partners. The fast write-off of equipment and machinery is expected to maintain the buoyancy of our economy and stimulate further investment within the secondary manufacturing industry. The result of such stimulus on Halton, which houses a bourgeoning secondary manufacturing sector employing more than 16,000 people, can be of immense importance.

[Mr. MacKay.]

J. P. R. Wadsworth, President and Chief Executive, Canadian Imperial Bank of Commerce, struck a responsive cord with this comment on the budget when he said:

> It has a refreshing tone and is positive in outlook.

I think this is the way all Canadians should look at the budget. It is not intended to be a cure-all, nor is it an attempt to buy votes. It is a highly pragmatic program for the continued development and expansion of our economy.

One tax expert, William A. MacDonald, in the *Financial Post*, of May 13 suggested that this budget, and I quote:

> —constitutes a change in tax direction that could have greater long-term implications for the well-being of Canadians than the complex tax reform which took 10 years to hatch. It is directed at strengthening the international competitive position of the economy on a long-term basis—something no budget in recent memory showed any concern about.
>
> "For the time being, at least", said MacDonald, "the fine-tuning and fiddling-at-the-edges of recent budgets has been abandoned in exchange for powerful, direct and permanent action through tax cuts and fast write-offs. These will help the cash flows and rates of return of Canadian manufacturing and replace continuing reliance on government expenditure and loan programmes."

It should be noted, I might point out, that the budget is also in keeping with the approach to foreign investment reflected in the bill introduced by the Minister of National Revenue (Mr. Gray) to provide for the review and assessment of takeovers of Canadian business enterprises by non-residents. The old adage "let the dice fall as they may" can no longer be equated to today's global community. The initiative for throwing the dice lies with the player, and the social consequences of the throw must be shared. So must it be with today's international economy.

The governor of the Bank of Canada put it quite succinctly when he stated:

> Because prosperity and depression can spread rapidly from one country to another, the great countries must manage their affairs well and keep firmly in mind the international implications of their actions.

For Canada, it is imperative that government, industry and each individual share equal responsibility in making this nation competitive and stronger.

• (1550)

Focusing, now, on my own constituency of Halton, one of the major beneficiaries of this budget will be the Ford Motor Company of Canada Limited, which now employs more than 7,000 people. That is a lot of employment centralized in one community industry, and much of the county's prosperity depends on this industry. This dependence comes in the form of supplier-to-manufacturing operations: housing for employees, transportation, and many other relevant services, all contributing to increased employment. I would expect Ford as a beneficiary, to heed the advice given by the Minister of Finance (Mr. Turner) at his budget conference: "I expect business to get out and hustle, to grow, to compete and to build jobs for Canadians."

Equally important is the need for government to give Ford the opportunity to compete and provide jobs, emphasizing again the need for shared responsibility. Ford, I am sure, intends to be a viable Canadian enter-

prise. Recently the president of that company, in an address at the St. Thomas, Ontario, plant, said:

We intend to meet the import challenge of vehicles made in countries other than the U.S. and we intend to meet it with our own resources. Every import sold in this country jeopardizes Canadian jobs and tax revenue.

In effect, the budget protects a very large and important segment of Canada's manufacturing industry; it protects jobs, and it protects against a loss of corporate tax revenue. Labour is viewing with alarm reports circulating that Canada must capitulate on the auto pact in the forthcoming rounds of trade negotiations. Members of the United Auto Workers told the Canadian Labour Congress when they met in Ottawa a month ago that U.S. economic strategies are costing and will cost the Canadian automotive industry thousands of jobs. Dennis McDermott, Canadian director of the U.A.W. said "The Americans are playing around with the auto pact and we think they're in violation of GATT".

I feel, personally, the reasons we refused to abandon the auto pact safeguards in our talks with the United States in February are valid today and will be applicable tomorrow and years hence if our economy is to progress. However, Ford will only continue to be a viable industry and provide opportunities for spin-off secondary manufacturing operations as long as the auto pact safeguards are maintained in bargaining with our neighbours to the south. The auto pact was a conscious decision by both governments to build a more efficient automotive industry within North America through specialization and rationalization. To this extent, both governments have succeeded.

We have succeeded, I think, because of several very important reasons. First, our labour force is much more skilled and self-disciplined than its counterpart in the United States. Another factor is the excellent social environment in Canada's manufacturing locations, as compared to that of the northern industrial sites in the United States. The Canadian worker can compete, as efficiently and as effectively, as any worker in the world. He is prepared to share responsibility in making our country a better place in which to live, but he must have the co-operation of industry and government. This co-operation is implicit in the auto pact, for, despite all the misconceptions surrounding this agreement, its safeguards stalemate, to a great extent, any moves on the part of the U.S. parent corporations to maintain operations in Canada only as long as it is profitable for them to do so.

In the foregoing remarks, Mr. Speaker, I have touched on those points in the budget which I feel are of vital concern and benefit to the people of my constituency. With the emphasis the minister has placed on the tax benefits for secondary industry, I foresee a marked continuation of the upward trend in employment especially in the auto industry, and I think it is reasonable to expect that all parties involved, both management and labour, will recognize the need for co-operation. As I pointed out in my references to the auto pact, Canadian labour is skilled and self-disciplined, both vital factors in manufacturing efficiency. Given stable labour relations, Canada can maintain its competitive position throughout the world. We also have every right to expect the industry will lower its prices.

As the *Financial Post* stated a few weeks ago:

It is now very much up to business, especially manufacturers to respond to the sizeable tax incentives with substantially more competitive prices.

And now, like the current stories that have the good news and the bad news, I have given you the good news in the budget first. While home in my constituency over the past few weekends I heard what might be called the bad news. Many people mentioned in conversation that the middle income group must continue to carry the chief burden of taxation. Indeed, it is pointed out there is no indication that the 3 per cent reduction introduced in a former budget will be continued after its termination date on December 31 of this year. In other words, we can expect a tax increase of 3 per cent at that time.

I think that all members of the House deplore that the Finance Minister has seen fit not to continue this tax benefit beyond its expiry date. His reasoning is simply that there are many things that we as a country cannot afford today and this is one of them. But I am happy to see that he has not completely closed the door and that he has both the time, between now and the end of the year, as well as the right, to review the legislation so that it will not be necessary to restore the tax at that time. There are other items I might have touched on but they have already been dealt with by previous speakers.

Let us remember, however, that the main thrust of this budget is the creating of jobs and job security while minimizing inflationary tendencies. In my opinion, its short term effect will be to give the economy a definite impetus while laying a solid foundation for future economic growth.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, if I were to give the members of this House one guess as to the subject about which I intend to speak this afternoon, they would all guess correctly. I rise to speak again on the subject of pensions, because I have learned during the years I have been here that the only way to get action on a matter of this kind is to keep it alive.

• (1600)

I want to say to the Minister of Finance that although it was a bit of a departure from the usual routine that is followed in a budget speech for him to announce certain legislation respecting pension changes, it was a welcome departure. Indeed, the fact that that departure was welcome has been demonstrated by the fact that the two pieces of legislation that he announced on May 8 have already been put through all stages in this House. Thus, the stage is set for the paying of the increases provided in those bills at an early date. I am referring to the increase that will be enjoyed by old age pensioners because the escalation clause has been put back on the basic $80, and also because the 2 per cent ceiling on the escalation provided in the Old Age Security Act has been replaced by a formula that provides for both the basic pension and the guaranteed income supplement to be increased automatically each year in accordance with the actual percentage rise in the cost of living.

The other change that was announced, and which has now been embodied in a statute passed by this House, makes it mandatory for the same principle to apply to

pensions paid to war veterans under the Pension Act, to the allowances paid to war veterans under the War Veterans Allowance Act, and to all other pensions and allowances that come under the aegis of the Department of Veterans Affairs. As I say, these announcements which the Minister of Finance made on the night of May 8 were most welcome, and the House has shown that fact by taking speedy action on the two pieces of legislation that were forecast by that announcement.

However, I feel that I must say to the Minister of Finance and to the government that in terms of the total problem, in terms of a really satisfactory pension program for all the people of Canada, all he did by his announcement on May 8, and all the government has done by its subsequent legislation, was to admit that there are things that sorely need to be done. We argued for a long time that it was not good enough to have an escalation clause that was limited by a 2 per cent ceiling. We argued that such a clause had the effect of forcing people to fall behind year after year, especially when their pensions went up by only 2 per cent whereas the cost of living may have gone up 4 or 5 per cent or even more. We are glad that the 2 per cent ceiling has been removed under the Old Age Security Act and that the principle has been established that the escalation of pensions should be related to the actual increase in the cost of living.

The first of four points that I want to make this afternoon, a point I make with as strong a plea as I can, is that this principle of the escalation of pensions according to the actual rise in the cost of living should be extended to every pension plan that comes under the responsibility of the federal government. I know that in response to questions I have asked since May 8, the assurance has been given that these matters are under consideration. But the fact is that we have to be told about 47 times that something is under consideration before we get action.

May I make particular mention of the pensions of retired public servants. For a couple of years now, these people have been getting annual increases in their pensions, but they have been limited to 2 per cent per year. The same is true of retired members of the Canadian Armed Forces and retired Royal Canadian Mounted Police personnel. They, too, are getting annual escalations of their pensions but they are limited to 2 per cent. If it is correct and proper, as I assert it is, to put escalation of some pensions, notably old age security and veterans pensions, on a basis that equals the actual increase in the cost of living, I urge that this also must be done for all other pension programs.

I particularly mention retired public servants, retired RCMP personnel, retired members of the Canadian Armed Forces, retired employees of the Bank of Canada, and many other individuals and groups coming under federal responsibility. I might even note that there is a pension arrangement for retired employees of Devco, and if a certain member were in the House this afternoon the mention of that might raise another argument. But I simply make the point that that pension program also has attached to it a 2 per cent ceiling on its escalation provision, and for all I know there are such ceilings in other plans that may not have been drawn to my attention. The Minister of Finance took a good step forward, and showed himself to be a candidate for something or other in the future, by being progressively minded and introducing the idea that certain pension escalations be related to the actual increase in the cost of living. My very strong plea is that this principle be extended to all pensions that come under federal jurisdiction.

In passing, since I have referred to the pensions of retired members of the Royal Canadian Mounted Police and retired personnel of the Canadian Armed Forces, I want again to make the plea that the escalation of their pensions begin at any time after they go on pension. They face a discrimination whereby some public servants at age 55 can get an escalation of their pensions without having to wait till age 60, but in the case of most retired RCMP and Canadian Armed Forces personnel, they have to wait until they are 60 years of age before that escalation begins. That is a slight digression but I felt it should be mentioned along with this first main point that I am trying to make, namely that if this idea that the Minister of Finance brought in on May 8 is a good one—and it is; indeed, it is excellent—it should apply across the board.

I have cited a number of pension programs that come directly under the responsibility of the federal government. There are some I must also mention that one might say come indirectly under the responsibility of the government in Ottawa. I refer in particular to railway pensions. I start with the pensions paid by Canadian National Railways which were escalated on a one-shot basis a little over a year ago, nothing more having been done since that time. In my view, that escalation should be put on an annual basis, a basis that again should correspond to the actual increase in the cost of living and not be tied to a 2 per cent limit.

Of course, in mentioning the Canadian National I must also mention the Canadian Pacific Railway which is lagging behind disgracefully. Every time we pose questions about both these railways to the Minister of Transport (Mr. Jamieson), he makes the point that he has more influence with one than with the other. Well, I suppose that is true; but I suspect that if the government really wanted to throw its weight around with respect to the Canadian Pacific Railway, it could be almost as effective as it is with the Canadian National Railways.

The particular point that I want to make is that both Canadian National and Canadian Pacific are governed by a piece of federal legislation, namely the Pension Benefits Standards Act. This is a federal statute which lays down the conditions registered pension plans must meet in order to qualify for registration, in order to obtain income tax recognition and so on. I submit to the federal government the time has come when it ought to write into the Pension Benefits Standards Act the requirement that all pension plans which come under that act must contain provision for the escalation of those pensions and that that escalation ought to be on a basis equal to the actual rise in the cost of living. We can look at all these matters in a number of ways. If the government ever considers again at this session the bill having to do with the Canadian National financing we will be back to the pension question, and if the government wants to get that bill through the answer is simple. All it needs to do is to tell us it has made an arrangement with Mr. MacMillan, the

President of the Canadian National Railways, to improve Canadian National pensions along the lines we have suggested.

• (1610)

Mr. Speaker, I have been unhappy since it was first brought in that we have had a 2 per cent ceiling on the annual increase in pensions. I take my hat off to the Minister of Finance (Mr. Turner). He has broken through that ceiling, but only in respect of old age security and the pensions of veterans. I call upon him to use his influence with the government to recommend that it finish the job and break that ceiling right across the board, if that is not a mixed metaphor.

I said that I had four things to say. I shall move immediately to the second point. I agree that I am asking for something that will not happen overnight and something which calls for study. However, we must get this study started. A few years ago we did not even have a universal pension and until a short few years ago we did not have any escalation. We have made progress. But I want to say again this is not good enough. It is really not the mark of a decent society if all we can do for our retired people is to increase their pensions in accordance with the rise in the cost of living. Surely our older and retired people who helped make the economy what it is at any given time have the right to share in the rising standard of living. Wage rates go up faster than the cost of living goes up. The gross national product goes up faster than the cost of living goes up. When you give to retired people only an increase related to the cost of living increase you condemn them to remain at the same standard of living they had at the time of their retirement, even though people all around them enjoy an increase in their standard of living.

An editorial appeared in the Vancouver *Province* on this subject on May 20, 1972, entitled "Standard of living pensions ...". I admit it was a speech or two of mine which prompted the writing of this editorial. It says some very nice things about me, but I do not know of anything in the rules which would prevent me referring to it because of that.

Mr. Turner (Ottawa-Carleton): You must have a good researcher. I have one or two.

Mr. Knowles (Winnipeg North Centre): I have friends in British Columbia who send these clippings to me. Indeed, I have a great many friends in British Columbia. The article reads:

> Mr. Stanley Knowles makes a persuasive point when he says the old age pension should be related not only to cost of living but also to standards of living.
>
> The two measurements are related but they are not the same.
>
> If pensions are increased by a cost of living formula as Ottawa now proposes, they merely keep pace with increased costs. If they are increased by a standard of living formula they allow the pensioner to keep pace with the general improvements in lifestyle that other sections of society enjoy through real economic growth.

The next two or three paragraphs of the editorial are direct quotations from speeches of mine, so I shall skip them and go to the last paragraph:

> But if it's considered fair that other people should share in the increased wealth of the country beyond the mere increase in the cost of living, it's equally fair that pensioners should benefit along with them. Such increases would obviously be very expensive. But expense is not a final argument against the principle.

I wish to underline that. The principle is unanswerable and incontrovertible in respect of our older people. I hear they are busy banding themselves together in the United States and calling themselves the Grey Panthers. A program appeared on the CBC last night which members of the government should have watched, or which they should watch some other time if they did not see it, which indicated that the retired people in that country, some 20 million strong, are not satisfied with things as they are. I think the same thing is true here on a lesser scale. I feel strongly that our older people, in numbers approaching 1,700,000 or perhaps two million, are entitled not just to be kept alive on some subsistence allowance and are entitled not just to an increase in their pension year after year to keep them at the standard of living they had at the time of retirement, but are entitled to share in the growing wealth and the rising standard of living in this country. I call upon the government to give some real study to this matter. I think this ought to be brought into effect right away. I know that first of all we must have the cost of living increase applied to every one. I feel, however, that the day should not be far off when we start to put into effect the principle of escalating all pensions according to the rise in the standard of living and in so doing recognizing the rights of our older and retired people.

The third thing I wish to say this afternoon is that after or perhaps even before we have solved these problems about the escalation of pensions of various kinds, a good hard look must be taken at the basic rates. It is fine to say that the old age security pension will now be escalated by an amount equal to the actual percentage rise in the cost of living, but $80 as a basic rate is not a sufficient amount with which to start. It is no answer to say there is a guaranteed income supplement which one can obtain if one subjects himself to a certain income test. I believe that at the present time that basic rate should be not less than $150 a month. I think, too, the basic rate of pensions paid to our blind and disabled people should be increased substantially. I believe it is unfortunate that in the changes which have taken place in our pension legislation in the past few years the rate for blind and disabled persons has not been increased, as it should have been. A pension of $75 a month is not very much; it certainly is not enough. I know these people receive more money than that because they can obtain assistance from the provinces, funded in part out of the Canada Assistance Plan. But I still think that persons who are blind or disabled ought not to have to go through that kind of routine. I believe their right to an adequate pension because of their condition ought to be recognized under federal legislation.

I feel, too, that the basic rates of both pensions and allowances paid to our veterans must be increased. I am delighted that the new Minister of Veterans Affairs (Mr. Laing) has indicated his willingness that this question be referred to the Standing Committee on Veterans Affairs. When this reference is made the House can be sure the committee will study this matter very sympathetically. I want to emphasize that in asking for a new look at the rates with regard to veterans, I have in mind not only the basic rates of the disability pensions paid under the Pension Act, but also the rates of the war veterans allowance.

Those rates must also be increased, and increased substantially.

• (1620)

These matters I bring before the House under the general point that I am making that while I am pleased that we have made progress in terms of escalating pensions, and while I welcome the attention that has been paid to my plea that the escalation of pensions be related to the standard of living, these things are without any significant value unless the basic rates are adequate. It is not good enough in this day and age to have a basic rate of old age security that is only $80 a month, and I regard the basic rate of the disability pension for veterans as being too low in relation to today's standards. In my view, these rates simply must be increased.

I know of course that in relation to this, as in relation to all the requests that some of us make for pension increases, someone may put the question "where is the money to come from?" I do not press what I am now going to say too hard because I know what you can do with bookkeeping, but just in terms of bookkeeping I would point out that the old age security fund is running a healthy surplus, as are all our pension funds, and that the new fund that was established a year or so ago to provide escalation payments to retired civil servants, retired RCMP and retired armed forces personnel is running a healthy surplus. If you want to do it in terms of bookkeeping, there are many items of money of that sort that can be found. As I say, I do not press that too hard because in my view the basic question is what society wants to do and how we plan the distribution of what we produce. I know that there is only so much we can produce, and it is also a fact that in today's thinking in terms of saving our environment, saving our world from destruction by pollution and saving society, we may have to curtail this onward march in the production of more and more wealth. But the real problem is how we share such wealth as we are able to produce, and I am not satisfied that the dividing of the pie as we do it today is good enough so far as our pensioners, our veterans and all our older and retired people are concerned. So I call for a new look at the basic rates of all our pensions and for increases of substantial amounts in those rates.

I said I had four things I wanted to bring before the House this afternoon. Not one of them is new, but they are all put forward in the belief born of experience that it is not what you asked for six months ago or last year that carries any weight; you have to keep these issues alive all the time. The fourth of the issues that I want to press and keep alive this afternoon is that the time has come to lower the pensionable age, at least on a voluntary basis. I do not think there should be any delay at all on the part of the government in bringing in legislation to amend both the Old Age Security Act and the Canada Pension Plan to make it possible for those who wish to leave the labour market to draw both of those pensions, certainly as early as at the age of 60. I think also that this is a way in which some solution can be found to the problem of the younger wife who has not yet reached the pensionable age when the husband has. If you had that five year voluntary period, it would solve a great many of these cases.

[Mr. Knowles (Winnipeg North Centre).]

A moment ago I had the immodesty—not unique among politicians—of referring to an editorial in a west coast newspaper that supported my position on standard of living pensions. I wonder if I may now pick up an editorial from an east coast newspaper, namely, the Halifax *Mail-Star* of Wednesday, April 19, 1972 which carries the interesting heading "Ahead of his time". It starts off by saying:

> It is not at all surprising to find that the latest move in the House of Commons to urge the government into the payment of higher pensions at lower qualifying ages is being led by Stanley Knowles.

Then, there are a couple of paragraphs that are even more laudatory of my efforts over the years, and the editorial ends with this paragraph:

> Someday—and we hope it will be in Mr. Knowles' time—

I can tell the Halifax *Mail-Star* that it will be—

> —there will be more generous basic pensions and, possibly, eligibility at age 60 as he proposes. But the timing will depend upon the nation's ability to pay the bill and the politicians' ability to gear their thinking so as to catch up to the veteran pacesetter from the west.

Who would deny himself the opportunity to put that last sentence on the record, but I do so not just to put it there but to enforce my earnest plea to the members of this House that in their thinking they catch up with the needs of our day so far as pensions are concerned. One of the pressing needs, particularly with the vast amount of unemployment among younger people, is for a provision for retirement at an early age. The time for this change is now. Not many years ago we suggested pensions at 65 instead of 70, only to be told that this was impossible. However, eventually even a Liberal government was able to bring in a bill to bring the retirement age down one year at a time, 70 to 69, to 68, to 67, to 66 and to 65. Why should we not have a bill this year, patterned in the same way if you will, to start lowering the pensionable age under the Old Age Security Act and the Canada Pension Plan to 64 years in 1972, to 63 the year after, and so on until we get it down to the age of 60 four or five years from now. I submit that this is in line with the needs of our time and it is very much in line with a rational and sensible approach to pensions. I hope that the House and the government will give it earnest consideration.

I close by simply enumerating the four points that I have tried to make. First of all, I think that the idea of a cost of living escalation geared to the actual rise in the cost of living should be extended to all pensions which come under the direct or indirect control of the federal government. Second, I think the government should now initiate a very serious study of the principle of gearing pension increases to the rise in the standard of living. Third, I urge that the basic rate of all our pensions be reconsidered and that there be substantial increases in the light of the needs of today. Finally, I urge that an immediate start be made on lowering the pensionable age at least down to age 60.

These four changes would make tremendous improvements. I could make a speech in another vein. I could tell of the progress we have made over the last 30 or 40 years, and it has been good. Certainly, we have made real gains in the whole pension field. But in terms of what we can do now, in terms of what our people need and deserve, we

have a long way to go. Let us get started now, at least on these four points.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I welcome this opportunity to speak in the budget debate. The budget was presented to the House of Commons on Monday, May 8, and the fact that we are only now debating its proposals is indicative of the lack of direction and the indecision of the present government. I welcome the opportunity to speak on this measure, since June 10 was an anniversary for me as I have been some 15 years in the House of Commons.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): Take a good look at the place, Lloyd.

Mr. Knowles (Winnipeg North Centre): You are just getting started.

Mr. Crouse: During these years, I have seen many budgets come and go, but few of them with more promises and less performance than the one we have presently under debate. When presenting this lengthy document, the Minister of Finance at least gave an indication that he understood some of the problems when he said, as recorded on page 1 of his text:

• (1630)

No economy is working as well as it should, if there are men and women seeking work who cannot find it.

That one statement represents the most serious charge that can be laid against the Trudeau administration, namely its waste of our greatest resource, our human resource, and the agony, frustration and humiliation which have been the lot of our unemployed people.

Apparently, the Minister of Finance at least recognizes that 6.8 per cent of our working force is unemployed and, to use his words, need "real jobs, not temporary jobs—jobs that last and satisfy." Some 592,000 people were reported as unemployed in April, and Trudeau unemployment is becoming a Canadian trademark like maple syrup, but it is certainly not as sweet to those who are affected.

Obviously, the Minister of Finance got the message, for right now some 43 per cent of the unemployed are young people between the ages of 14 and 24 years. Unemployment is a disaster for men and women of any age, but young people are especially vulnerable to the loss of dignity, and the hampering of legitimate ambition which is the inevitable result of being unable to find a job.

Further on in his speech, the minister stated:

I believe that part of my responsibility in this portfolio is to take a hard look at the rough edges of tax reform and I intend to see to it that the rough edges are smoothed out.

I ask the minister: where was he when this so-called tax reform was rammed through the House by the use of closure? Where was he when these rough edges were being put on this legislation by his own government? In his budget speech, the minister continued:

I propose to announce a number of important amendments to the Income Tax Act arising out of tax reform. The particular amendments have been selected either because they affect large numbers of taxpayers—or because the government is already committed to make them.

Then, the minister makes an astounding statement. He says:

There are a few other amendments which I have been contemplating—but I have not included these in this budget because I am still considering the best solution to the particular problems. I mention this because many people have made sensible suggestions to me, but it is not possible to deal with all of them tonight.

Talk about Nero fiddling while Rome burns! Is the Minister of Finance not yet aware that it is tax reform legislation which has created chaos, indecision and uncertainty throughout the business community, and that he should have acted in this budget on the sensible suggestions made by many people to him and to his government?

It is possible that the government could have avoided the rough edges of tax reform, injustices in law of which the minister speaks, if it had listened to the sensible advice of the official opposition last year, and delayed the tax bill until its anomalies had been straightened out. However, that course of action did not suit the government which was obsessed with the idea of using its majority power to force the tax bill through Parliament. The present Minister of Finance, who was then the Minister of Justice in the Trudeau government, must accept his share of responsibility for the present numbers of unemployed, for the costly blunders brought about by haste and political tinkering, because he meekly accepted, followed and endorsed the Trudeau policies which helped make these problems a reality.

On page 23 of his text, the minister is recorded as, frankly admitting that things have gone wrong under the Trudeau government, the government he supports. I say this because in his assessment of the budget he states:

I wish I could do everything at once. I am sure that each member of this House, were he standing in my place, would have a long list of priorities of things he would want to change, of inequities he would want to cure. The bare fact of the matter is that we cannot do everything at once. We simply don't have the resources. There are limits to the scope of fiscal policy. There are limits to stimulus and re-adjustment.

This is nothing more than an admission of defeat, a negative attitude which says to the unemployed and to our young people, "Have pity on us because we really don't know how to run this resource rich, well-blessed country, effectively." This is, in effect, what the minister is saying, for there is an old cliche which says that you cannot have your cake and eat it too. You cannot waste your tax dollars and still have worthwhile programs for the sound economic development of the country.

When the minister says, "We cannot do everything at once" what he really means is that the government cannot finance all of its pet projects and still assist industry in the creation of much needed jobs. You cannot build $25 million National Defence buildings and $30 million External Affairs headquarters and still have money to assist industry. You cannot build monuments to the ministers in this capital city, and still have funds to assist industry. It is a hollow sham for the government to say we do not have the resources to encourage employment opportunities for our people. According to the booklet put out by the President of the Treasury Board (Mr. Drury), entitled "How Your Tax Dollar is Spent"—

Mr. Osler: Tell us about the Tories in Manitoba and Nova Scotia.

Mr. Crouse: The hon. member who, as usual, is interrupting while remaining in his seat, will have time to make his own speech.

Mr. Osler: I have already done so. I ask what about the Tories in Manitoba and Nova Scotia.

Mr. Crouse: If the hon. member would listen he would learn something. Incidentally, this booklet cost the taxpayers $72,625, and according to it the government spent a total of $10,767,000,000 in the year 1968-69 to serve 20 million people. According to this booklet the government proposes to spend $15,749,000,000 in the year 1972-73 to serve some 21,600,000 people. And since this book was printed, Mr. Speaker, supplementary estimates have brought this planned expenditure up to $16,012,000,000.

Our taxes have been escalating at a phenomenal rate. It is not honest, fair or just to say that we do not have the resources in Canada to provide jobs. The truth is that the government has been wasteful of our resources, and the wrong policies have been given priority. I cannot help but pity the Minister of Finance who showed such a strong desire to become the leader of his party, with a chance at the prime ministerial post, that he clung to his delegates votes until the bitter end at the last Liberal leadership contest. He was really the "Canadian Muskie" of that day. Now that he holds the post of Finance Minister, he will never get a chance to become Prime Minister. I say this after looking at history, where I find that since Confederation only two finance ministers have made it to the top, and none of them were Grits.

The two were Sir Charles Tupper, who became the sixth prime minister in 1896 after serving as finance minister under Sir John A. Macdonald, and R. B. Bennett who served as finance minister during the Meighen Conservative administration, and who defeated the Liberals under Mackenzie King in 1930 to become prime minister. But it looks as though one part of the history to which I refer will repeat itself for I believe Canadians are again preparing to elect a Progressive Conservative Nova Scotian as prime minister of Canada.

It is obvious, however, that the Minister of Finance recognizes a sound taxation policy when he hears one, or otherwise he would not have used the now familiar Grit tactic of strongly opposing, in Truro, Nova Scotia, on June 7, my leader's proposals as outlined when he spoke in the budget debate, covering a simple method of annually adjusting personal income tax exemptions and rate schedules to reflect increases in the cost of living. The Leader of the Opposition has stated that when he becomes Prime Minister, and that will not be very long in coming, he will implement the constant dollar approach to personal income tax payments, based upon the schedule of tax rates and personal exemptions that were set by Parliament in 1971. The aim of his proposal is to enable Canadians to maintain the 1971 equity in the years ahead. As Progressive Conservatives, we believe that the federal government should rid itself of the vested interest in inflation which arises from automatically reaping enormous additional revenues from personal income taxes when inflation is running high.

• (1640)

Mr. Speaker, there is a squeaky door over in that corner and I would ask you to close it, shut it up.

We also believe that low and middle income Canadians should not automatically pay a larger share of their real income in federal income taxes, especially if they do no better than keep even with increases in the cost of living. When implemented, the Leader of the Opposition's proposal would restore full fundamental parliamentary control over the effective rates of personal income taxation, which is something that is absolutely necessary but which has been lost under the present ineffective, abortive, rubber-stamping committee system. This proposal when implemented will not stop future tax increases but it will place the government under heavy pressure to carefully scrutinize its planned expenditures and to economize wherever possible before taking its case to Parliament. That is the crux of the matter, Mr. Speaker, and that is what we aim to do.

In my opinion, the Minister of Finance's speech in Truro is significant in that there is not one word in it that refutes, denies, challenges or disproves any of the basic points I have just mentioned. This is understandable, for if the Minister of Finance believes in the basic equity and fairness of the schedule of tax rates and personal exemptions which his party proposed and established in 1971, then he cannot, in all fairness, deny the need for maintaining that equity in the years ahead. The Minister of Finance was really grasping at straws when he suggested our proposal would increase government costs and likely intensify inflationary pressures. In actual fact, the constant dollar proposal could well have a beneficial anti-inflationary effect. All we need to do is look at the demands made by the workers who are going out on strike—in this year of the strike—across the nation, and we then realize that much of the pressure for higher wage settlements stems from the workers' realization that under the present tax system they need more than basic increments geared to the cost of living increases just to keep even. At the very least, some of that pressure could be eased through the implementation of the proposal put forth by the Leader of the Opposition. Obviously, the present Minister of Finance, like his predecessor, is long on rhetoric and short on understanding, and these are symptons that are easily recognized by an enlightened electorate. I believe it was Bismarck who said "Nothing can be regarded as true until it has been officially denied by the government." The Minister of Finance's condemnation of my leader's proposals is a strong indication that they have some merit and are worthy of serious consideration by Canadians.

It is obvious to most Canadians that we are heading on a collision course between government and industry under the present government's policies. Nowhere is this more evident than in the field of transportation. Whether you are in western Canada or the Atlantic provinces, the questions raised are all the same. How much longer can this federal government, its Canadian Transport Commission and the railways, ignore the appeals of Canadians for a better break on freight rate charges. When I am in my

constituency I am asked, how much longer will the present government pretend that there is consistency in its national transportation and economic development policies? On the one hand, this government has set up the Department of Regional Economic Expansion, which makes grants toward the alleviation of economic disparity, while on the other hand it permits rising transportation costs to strangle large and small industries in the Atlantic region. Surely the government cannot claim it has not been alerted to this problem. We have held special debates in this House and our members from time to time have moved a special motion to continue those debates, most of which have been ignored or refused by the government. Surely, they cannot claim that they have not been made aware of the adverse effects on regional growth of the eight freight rate increases in a little more than 24 months.

In his speech today, the Minister of Supply and Services (Mr. Richardson) outlined a proposal to pay the freight on goods sold to the government. To use his words, I think he said that "Contracts would be accepted f.o.b. the factory;" that is, on any contract awarded to a factory in any part of Canada by the Department of Supply and Services. Mr. Speaker, this is a move in the right direction, but that is all. It is only a small step; it is no real solution and it is not real transportation policy. For example, if a firm in my constituency desired to tender on steel barges to be sold to the government, first it must find out the cost of the steel which has to be purchased in Hamilton, Ontario and transported to Halifax, Lunenburg, Liverpool, or Shelburne, in Nova Scotia. That cost must be added to the cost of production, and this makes that firm in no way competitive with the company located five miles from the steel factory. That is why I say the proposal put forward by the Minister of Supply and Services is a small step, but it is not a real transportation policy for Atlantic Canada.

There is nothing in this budget which indicates that the Minister of Finance is aware of our transportation problems. In fact, transportation is excluded from absolutely any aid in this budget, yet hardly a week passes without some indication that companies operating in Atlantic Canada are in trouble. Only a few years ago a new company, Anil Canada Ltd. started producing wallboard in my constituency at East Chester and from correspondence and discussions I have held with the President of that company, it is evident that freight charges are seriously hampering their operations. This is only one example, and I could cite many more. We have long since passed the day when the federal government showed any real concern for the transportation ills of Atlantic Canada.

Now, we are told that the Canadian railways will file notices of substantial increases in freight rates with the Canadian Transport Commission on June 19. A 10 per cent increase in rate charges on shipments to and from Atlantic Canada will deal a crippling blow to local industry. This is harsh treatment for our people and it is an action that we simply cannot and will not tolerate. We cannot stand idly by and let this government add further burdens to an already over-burdened economy in Atlantic Canada. When the railroads were built, there was a concept that railways from sea to sea were to hold Canada together. This concept has been forgotten by the present government, if it ever knew it, and I believe that a moratorium should be declared on all freight rate increases, until a fair and just transportation policy has been worked out that is acceptable to our people.

When the National Transportation Act was passed in 1967, Section 3 of that act promised that we were going to have, from 1967 onward, an economic, efficient, and adequate transportation system in Canada that would make the best use of the available modes of travel at the least cost. And this was to be achieved in a way to protect the interests of the users, and at the same time maintain the economic well-being and growth of Canada. The best way to do this, it was stated, was to do it by competition. This powerful regulatory commission operates on the theory that all our problems can be regulated. Unfortunately, the side effects of the cure trigger other reactions that more seriously threaten the well-being of the patient than the illness first perceived. The cost of transportation since 1967 has not become cheaper, nor has it become more efficient as a direct result of regulation. In fact, in my opinion, the Canadian Transport Commission has failed. It has let us down badly because its promise of performance has not measured up to our transportation goals.

This government must not only establish a sound national transportation policy but it must also define a sound industrial policy so that Canadian business, large and small, will know where it stands. At the present time, our businessmen are confused, concerned, and lack confidence in their federal government. This accounts for their lack of initiative in attempting further industrial development which will provide worth-while jobs for Canadians. When you are running a business, and I have some experience in this field, you must have a clearcut objective in order to be successful; you must know where you are going. However, it is obvious to Canadian businessmen that the Trudeau government's industrial policy is comparable to pouring water into a sieve; it runs in all directions.

• (1650)

Mr. Hees: And it is not very thick, either.

Mr. Crouse: I believe a white paper setting out the government's industrial policy would be extremely valuable in giving business and labour an idea where this government is heading. We are reforming our tax laws and our competition and labour laws without any clear idea of what this government or this country is trying to achieve. This is not good enough. The gap between business and government is widening, Mr. Speaker. What is needed today, above everything else, is the restoration of a climate of confidence and trust. We must, somehow, restore to Canadians confidence and trust in their government; and, conversely, there must be confidence and trust by the government in the Canadian people, if we are ever to hope to get the economy moving again and provide jobs for the hundreds of thousands of people who are looking for work. Our export figures for March of this year document all too clearly our world trading position and our inability to compete in world markets. With the exception of the United States, our exports declined. Exports to Britain, Japan, West Germany, Norway, Italy, Australia, Venezuela, Belgium, Luxembourg and India declined by a total of $78.2 million.

Some hon. Members: Shame.

Mr. Crouse: Manufacturing, according to my figures, last month employed 17,000 fewer people in this country. Obviously, this is not good enough, and our export problems are now increasing as a result of the increase in Canada's dollar value and a weak, vacillating Department of Industry, Trade and Commerce. For example, low cost imports of cotton textiles are destroying our Canadian producers, and it is doubtful whether Cosmos Imperial Mills can survive in New Brunswick and Nova Scotia without a change in government policy. Our stainless steel producers, especially Atlas Steels, are reportedly postponing indefinitely any expansion plans, owing to import competition from Japan, Sweden, Germany, France and Austria. The government apparently takes the view that, apart from using persuasion to bring down commercial interest rates, there is little it can do about the high level of our dollar or to make our companies more competitive. I, personally, cannot accept that view, for it is still not too late to strengthen further the financial position of our Canadian companies by giving them an immediate tax reduction with respect to manufacturing and processing right across the board rather than waiting until January 1, 1973, as the minister proposed in his budget. Only by enabling Canadian corporations to compete in the world as it is will we be able to provide jobs for our people.

The minister may say, no doubt, that his tax proposals should encourage industry. Mr. Speaker, one of the things this country needs is risk capital. It is all very well for the minister to say that personal savings are increasing in Canada; but he ought to realize, and I know he does, that these savings for the most part are all going into the hands of institutions which invest them in limited areas in order to obtain a safe return on the capital entrusted to them. They are not venturesome. They do not take risks. We do not, under this government, encourage the accumulation of private wealth; and, without money in the hands of entrepreneurs, there can be little or no risk taking.

I have said we need a sound industrial policy; this fact became evident even before the Nixon moves last August for it was difficult to find the basis for a strong, underlying growth trend in Canada's economy. Our plight emphasizes in the most striking way the need for an immediate cleanup of the decks on the economic front if there is to be any hope of our getting businessmen down to business. Instead, we have been caught up in a web only faintly related to the real world of decision and international competitition. The Trudeau cabinet has been so busy trying to do the things that it ought not to have done that it has not had time to do those things that it ought to have done. That is the problem, Mr. Speaker.

This budget has unfortunate implications for federal-provincial relations. The buoyancy in federal revenues has been used by the federal government for its own purposes. Approximately $1 billion at its disposal has been used in accordance with its views. It is the federal government's views on social priorities which continue to dominate, and this centralizing trend is not helping the provinces or municipalities which want to make their own decisions but are desperate for the resources needed to meet their current obligations.

My main objections to the present budget cover a number of areas. In my opinion, it makes little sense to treat different sectors of the economy in such a diverse way. It is also difficult for businessmen to plan ahead when tax rates are changed so frequently, and when selective tax cuts to corporations are unjust and inappropriate. The tax cut for manufacturers and processors is too indefinite. I ask the Minister of Finance to tell us, when he speaks, what specifically the government means when it speaks of a manufacturer, or of a processor. Why introduce a new set of distortions into the functioning of the market system, by substituting the judgments of the Minister of Finance as to what types of tax relief make for the greatest degree of growth for our competitive system? Frankly, I do not trust the minister's judgment in a matter as delicate and sensitive as this.

Why, for example, was equipment used in agriculture, in fishing, in logging, in forestry, in oil or gas wells and in the extraction of mineral resources excluded from the fast write-off incentive proposals? Once again our agricultural industry and fishing industry have been left standing by the boards, as it were, for all the consideration they have been given by this government. It seems to me that these primary industries provide considerable employment opportunities, and therefore should be encouraged. If the government is interested primarily in job creation, and all current economic texts show that the service area overwhelmingly is the biggest source of employment, why was that area excluded from assistance in this budget? Employment in the service and recreational sectors declined by 12,000 last month.

If countering the American Domestic International Sales Corporation program, commonly known as DISC, was the objective, it would have been more appropriate to introduce a similar plan in Canada to encourage exports. Quite frankly, in my opinion, erratic variations in tax rates do little, even if they are favourable or result in lower tax rates. A budget was brought down in June, 1971, and it was followed by the 1971 temporary tax reduction last October; then, the tax reform legislation was passed last December, which attempted to set out tax schedules for the ensuing three years. Now, we have another, should I say haphazard, change providing for a 9 per cent tax cut for manufacturers and processors. These shifts make it difficult to plan ahead intelligently or to take advantage of rate changes. Therefore, I believe investment plans will be postponed until there is greater assurance about the outlook or greater assurance as to what future tax rates will be.

An hon. Member: People are waiting for a new government.

Mr. Crouse: The attitude of businessmen may well be, "Why do it now; let's wait for the next tax concession." And who can blame them for adopting that posture? Large industrial organizations do their financial planning at least three years in advance; therefore, long term plans must be based on something other than the fickle, spur of the moment changes initiated by the Minister of Finance.

The Acting Speaker (Mr. Boulanger): Order, please. I regret to interrupt the hon. member but his time has expired.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Boulanger): Order, please. It is my duty pursuant to Standing Order 40 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Kootenay West (Mr. Harding)—National Parks—Lake Louise project—Request for statement on government position following public hearings; the hon. member for Hillsborough (Mr. Macquarrie)—External Affairs—Offer of good offices by United Nations Secretary General respecting Viet Nam war—Canadian position—Representation to U.S., and the hon. member for Yorkton-Melville (Mr. Nystrom)—Youth—Opportunities for Youth program—Rejected applications—Results of solicitation of companies to provide jobs.

GOVERNMENT ORDERS

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Hon. John N. Turner (Minister of Finance) that this House approves in general the budgetary policy of the government.

Mr. Hubert Badanai (Fort William): Mr. Speaker, the budget speech, delivered in a very elegant, effective fashion, contains so many stimulating and sensible proposals that it has earned for the Minister of Finance (Mr. Turner) superlative praise. That is the way one can describe the widespread approval of the document that spells and easier load for pensioners and the disabled and more jobs for the unemployed. It is a document, sir, which marks a long advance in Canada's economic and social maturity. It spells confidence, which some people in this country had lost. The need of the time is the recovery of confidence, confidence that we can beat the unemployment problem.

• (1700)

The tax benefits to expand manufacturing and industrial development will certainly stimulate the business community to accept the challenge and become more successfully competitive in selling our products abroad. I congratulate the minister for his refreshing faith of which, unfortunately, members of the opposition appear to have so little.

In a recent news release, the Canadian Chamber of Commerce expressed pleasure with regard to the constructive budget presented by the Minister of Finance. I quote:

"The measures outlined to stimulate Canadian manufacturing and processing industries should do much to reduce unemployment and to make our competitive position stronger in domestic and international markets," said Neil V. German, president of the Canadian Chamber.

In particular, the overall effects of the tax measures in the budget will help Canadian industry to offset the adverse effects of DISC.

The Chamber was also pleased with the measures proposed in the budget to relieve the financial burden borne by those groups hardest hit by inflation such as pensioners, veterans and students.

A review of the debate on Bill C-201, a measure to provide for control of foreign ownership of Canadian companies, reveals some misunderstandings but some of the speeches were reflections of pure anti-Americanism. Fortunately, the Minister of Finance does not see it that way. The unrealistic dream of members of the committee for an independent Canada of eliminating foreign ownership is running against a contemporary world trend to internationalism and, in any case, their theories are not valid in the world in which we live today any more than when we needed foreign capital to develop our industries and create jobs to meet the needs of an expanding and growing population. Had it not been for American capital, there would not have been an iron ore mine in northwestern Ontario. I am referring to the development of the Steeprock Iron Mines in the town of Atikokan, 130 miles west of my constituency. Atikokan would still be a small hamlet. It was risk capital that insured jobs and prosperity for hundreds of people working in that area.

I wish to quote from an editorial that appeared in a recent edition of the Calgary *Albertan:*

In the much-discussed subject of foreign ownership of Canadian industry to that of foreign ownership of Canadian land, both crown-owned and public, there are many grey areas. While this, on the surface at least, appears to be a laudable endeavor, the problems which will arise if the policy is adopted, first on a national, and then on a provincial scale, can be enormous.

If the respective governments really intend to go whole hog on the latest bit of Canadian nationalism, two important points will have to be determined to the satisfaction of all. These are what constitutes a "foreigner," and what constitutes a "Canadian citizen."

In Canada, which will soon reach a population of 22 million, or just about one-tenth of the population of the United States, there are millions of British subjects who are not Canadian citizens, if the narrow interpretation of the word is to be employed. In the first row are the English, Scottish, Irish and Welsh.

Then come all the immigrants from the 23 Commonwealth countries, white, black, and various shades of brown.

As Canada is a member of the British Commonwealth, all of these people possess the same legal rights as native-born Canadians, once they have been accepted for domicile and have settled down in this country, and as such they are entitled to all the rights and privileges of native-born Canadians and those who have emigrated from other countries outside of the Commonwealth but who have acquired Canadian citizenship after residing here for the period prescribed by law.

The first thing that has to be determined therefore before governments get too deeply involved in the land ownership problem is—what constitutes a "foreigner," and whether British subjects who do not hold citizenship papers are to be barred from buying crown lands. Does it also mean that no person except those who hold Canadian citizenship papers are to be permitted to homestead on crown lands?

The new restrictive legislation now under review by provincial governments across Canada, is merely another chapter in the "Keep the Americans out" policy so popular nowadays.

However, the majority of the governments affected do not possess the intestinal fortitude to name the country they are legislating against, so the legislation will be such as to confine the sale of crown lands to "Canadian citizens." It would be very injudicious to name the Americans in legislation of this kind when the whole

country is still desperately anxious to enlist the aid of American capital in the continued development of natural resources and industry.

I can understand why British Columbia, with its miles of ocean front, lakes, plus a myriad of islands, is anxious to reduce the volume of the sale of land to the Americans.

I too have toyed with the idea of following the birds to Victoria, or to acquire a small piece of Salt Spring Island, and there to be nuzzled by the balmy Pacific coast breezes. Every time I think of Alberta's seven to eight month winter, I find it difficult to understand why the Americans, or any other group presently being designated as "foreigners," would be interested in trying to buy Alberta land at seriously inflated prices.

Those who did buy land in the early days of the oil invasion at moderate prices, now possess a solid investment, but times are different now in the wake of the urban sprawl and inflated land values.

I thought that the Alberta government displayed great prudence when it did not rush passage of amendments to the Land Act, at the recent session of the legislature. This is a problem which is by no means as simple as it may appear.

Ever since the North West Mounted Police rode west in 1874 to bring law and order to what is now the province of Alberta, Americans have been prominent in development. They brought in the first big cattle herds from Texas in the early 1880's and in the boom years prior to the First World War, they poured across the border in an unending stream, bringing their furniture and livestock with them. Later, they provided most of the capital for the development of Alberta's oil and gas resources, and practically all of the first geologists and drilling crews were either American or American trained.

• (1710)

For this one reason alone, I find it impossible to join in the "Yankee, Go Home" cry presently being chanted by the Johnny-come-lately minority, whose contribution to development still has to be assessed.

The opposition is forever pounding on the gloomy side of the unemployment picture which, of course, everyone admits is not what the government had hoped it would be. On the other hand, the prophets of doom are trying to make it look far worse than it is. For example, when estimating employment statistics for young people in the 14 to 24 age bracket, the difficulty is to arrive at anywhere near the number of unemployed.

Students who register with Canada Manpower and placement officers at the various colleges and university offices, often do not notify the agency when they obtain work. There is no way of checking up on students who go out to find jobs by themselves. Many students who applied for permanent positions have not notified the manpower centres of their decision to return to post-graduate school in the fall. Several thousand students, unsuccessful in their job search, are flying to Europe and elsewhere and therefore cannot be classified as actively seeking employment. Some unemployed students have taken temporary summer work, or obtained "Opportunity for Youth" grants, and cannot be classified as permanently placed, while others wait until summer is over before looking for work.

Many corporations delayed their hiring this spring. They are still going through the process of hiring at the present time. Some universities now operate on a co-operative plan which staggers the graduates' entry into the labour market to other months of the year. The latest unemployment figures for the 14 to 24 age group available are for March and indicate an unemployment rate of 12.6 per cent, or about 273,000. This compares with 12.9 per cent jobless students a year ago. On the whole, bachelor-level graduates in commerce and business administration are finding jobs; in some instances, there are not enough commerce graduates to meet the demand from the accounting profession. Graduates from the professional schools of medicine and dentistry are always in demand, but others, especially those with just a B.A., find it most difficult to obtain jobs.

Then, there is the woman factor. A few years ago married women did not, as a rule, enter the labour market when their husbands were gainfully employed. Now, even though the husband may have a good job, the wife wants a job too, and when unemployed she registers at manpower centres as well, thus compounding the unemployment figures. Lest I be accused of being against a married woman seeking employment, I should hasten to say that she has a right to look for a job, if family conditions will allow. But let us also realize that the jobless figures do not really mean the disastrous conditions that the opposition are trying hard to convey to the people of Canada.

With respect to immigration, I should at once express my satisfaction with the new Minister of Manpower and Immigration's attitude toward applicants for admission to Canada as landed immigrants. I admire his forthright statement aimed at granting a little more flexibility in the area of personal judgment to immigration officers, such as boosting the point ratings, if necessary, given previously to unsuccessful applicants; in other words, using the criteria with flexible judgment and compassion.

With regard to the Sedgwick report of October, 1970, prepared by a Toronto lawyer who has never had the experience of being an immigrant, I suggest that it be shelved for some other era when Canada will have doubled its present population. The minister, very properly, rejected the contention that visitors are abusing the relaxed immigration provisions; and I would recommend increased reliance on the discretionary judgment of overseas' immigration officials, who are, by and large, the best trained and responsible individuals in the public service. I was pleased to take note of a substantial increase in this year's budget for increasing the number of officers, and of expanding facilities in our immigration offices around the world.

I should also add that the Prime Minister (Mr. Trudeau) should be congratulated on the appointment of the present Minister of Manpower and Immigration (Mr. Mackasey) who, when he was Minister of Labour, showed his capacity for commiseration in the face of injustice and who, in his new responsibilities, meets the problems of his department with dedication and compassion.

Canada, as a nation, will be 105 years old in less than two months from now. But Canada as a place for European settlement dates back to 1534 when Jacques Cartier came to our coast seeking a seaway to the Orient. He found, instead, a country, vast and beautiful, beyond his dreams. After the first settlers came to this land, the French and the English they were followed much later by streams of immigrants from almost every country of Europe bringing to our shores millions of men and women of many other cultures who made their homes here and helped in the development of what is now a great nation.

Baron Tweedsmuir, one of the best known Governors-General of Canada, once said when speaking to Ukrainian-Canadians:

I want you to remember your old Ukrainian traditions, your beautiful handicrafts, your folksongs and dances and your folk legends. Your traditions are all valuable contributions toward our Canadian culture which must be a new thing created by the contributions of all the elements that make up the nation.

It is with this thought, Mr. Speaker, that I express the gratitude of countless immigrants who are now enjoying the privilege of being Canadians.

A dedicated group of citizens in the City of Thunder Bay have taken on the task of organizing a campaign for funds to establish an arts centre which would include an auditorium. This city of 107,000 people lacks a suitable theatre complex to accommodate an average audience of 1,500 people. Every year those in charge of the music festival are hard-pressed to find accommodation for the various events. The various arts' societies, such as the Cambrian Players, the Lakehead Symphony Orchestra and others are experiencing difficulty in finding suitable quarters for their performances. The arts centre complex is also needed for teaching all facets of the arts, workshops and convention meetings. The federal government, under the Local Initiatives Program, has made a grant of $18,720 toward hiring a co-ordinator, a secretary, and ten surveyors to evaluate the need of the community cultural program. For this, the city is very grateful. The Mayor has indicated that the corporation will lend active support and financial assistance to the project it is hoped, which, once underway, the federal government will also assist with a grant or a loan so that this worthwhile project may be brought to fruition.

• (1720)

One of the most exciting projects that has ever been voiced by a Prime Minister of Canada, ranking with Sir John A. Macdonald's vision of a transcontinental railway a century ago, is a proposal outlined by the Prime Minister to build a highway to connect existing stretches of roads from the border of Alberta, at the 60th parallel, to the Arctic Ocean, at Tuktoyaktuk, a distance of 1,050 miles. In a letter to the *Globe and Mail* of May 2, 1972, Mr. P. Pepperrall, a professor of history from Willowdale, said in part:

In the decade of the 70's nearly a century ago, a dream of similar magnitude that was to open transcontinental communication and to perpetuate a Canada from sea to sea was also denounced as a "preposterous proposition", and "an act of insane recklessness". After all, Sir John A. Macdonald's proposed Canadian Pacific Railway to remote British Columbia would be a road to nowhere of forbidding length, built with money he didn't have, over an undertermined route, and through terrain as formidable as any in the world.

Yet these very obstacles, which people ignorant of the Canadian identity considered to be insurmountable, were the very elements which have characterized the Canadian existence, made its people unique, and impelled them to meet the challenge that was the CPR. The sense of interminable distance, lonely space, and rugged vastness was as much a distinctive part of the Canadian character and consciousness as the country that had created it. And to have failed in response to this challenge that was Canada would not only have betrayed the natural tendency and uniqueness of the Canadian identity, but also have stifled the thrust that was to carry it as a nation intact over the threshold of the twentieth century.

Canadians might do well to remember the heritage of our Canadian identity, and in particular the solitary figure of Sir John A. Macdonald earnestly making his proposal for the CPR. Sir John was the "old chieftain" whose national dream culminated in the Canada of a century ago, but the Prime Minister may well be the "new chieftain", whose vision of the north builds a Canada for the twentieth century.

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I listened with interest to the remarks of the previous speaker. It is good indeed to know that there are men like him in the House of Commons who have faced a great many adversities on the road here and who can speak with a great deal of fervour and enthusiasm about the future of Canada. While I certainly cannot develop the same kind of enthusiasm for his leader that he expressed, I must say it is nice to know there are still some members of the Liberal party with that kind of enthusiasm for the leader of the Liberal party.

Mr. Jerome: There are lots of them, don't worry.

Mr. Coates: I am glad to hear the parliamentary secretary say that because it is not obvious that that is the case these days.

Mr. Jerome: Do you want to get into a contest about enthusiasm for leaders?

Mr. Coates: I do not mind getting into a contest about that at all. We happen to have two of your members over here who started off with you, and there are a couple more who are no longer with you, so I would not suggest that you start to name names, otherwise you would discover that you are in a greater deficit position now than you were when you started out in 1968. There is also a good possibility that you will be a lot worse off before the end of 1972. Certainly, you will be a lot worse off if you have to call an election.

That was not exactly the way I intended to start my speech, Mr. Speaker, but that is how it has turned out and I do not mind at all.

Mr. Jerome: Enthusiasm for leaders was your topic, not mine.

Mr. Coates: That is right.

Mr. Jerome: At least, we only have one.

Mr. Coates: We have, too.

Mr. Jerome: What is his name? Which one do you support?

Mr. Speaker: Order, please. May we have order. The hon. member has the floor and his time will be running out. He should be given an opportunity to make his contribution to the budget debate.

Mr. Coates: Mr. Speaker, it is quite apparent that hon. gentlemen opposite are pretty touchy when it comes to

talking about leaders. One of the things that concerns them is that they do not know whether they are going to have their present leader when they go into an election campaign or a new leader. This is one of the things to which we are looking forward. We would certainly like to see the Prime Minister (Mr. Trudeau) take his record to the people. If that happens there is no doubt at all that there will be an elimination of the present administration, perhaps even an obliteration. I am glad to see the Minister of Justice (Mr. Lang) in his seat today, since I am sure we can count him as one of the casualties when the next election comes.

There are a number of matters that I should like to talk about. One of them has been developing since 1968 and the situation has become increasingly worse since then. I refer to the problem of transportation in the Atlantic provinces. I have spoken on this subject many times in the House of Commons since 1968. In recent days, we had some hopes that the government would announce a policy which would be of some value and assistance to the industrial community of Atlantic Canada, whose problems are gargantuan. We had hoped that the Minister of Transport (Mr. Jamieson) would bring forward some proposals which would, at least to a degree, have alleviated the desperate situation that is developing in Atlantic Canada. However, rather than offsetting the seven freight rate increases that have been sanctioned since September 1969, on June 19 we must face an eighth application by Canadian National Railways for a freight rate increase.

I should like to put on the record what some of the businessmen in the Atlantic provinces have said recently regarding what those freight rate increases have been doing to them. Almost every area of the business community of Atlantic Canada has commented, and with very few exceptions they all say that the rates will be like a noose around their necks. Both their profits and, in some instances, the extent of their losses in the days ahead are being affected. One of the industries that we hope will continue to operate, and which has made every possible effort to continue to operate, is Cosmos Imperial Mills Limited of Yarmouth. They have increased their staff in order to increase production in the hope they can stay alive. The vice-president, Donald Cain, as reported in the *Chronicle-Herald* for June 10, says:

—the company's prices are fixed and cannot be raised or lowered. The increased rates will definitely push losses up—

The company had announced a modernization of the plant which will increase staff by nearly 100 persons, in an attempt to pull the operation out of the red.

• (1730)

It will be harder to compete in all their markets, said Mr. Cain. The company moves more than half of all its goods by trucks now but the vice-president figured the disadvantage. An increase in line with the rail rate increases, as has happened in the past.

In other words, when the CNR increases its rates, the trucking companies increase theirs too.

The production manager of another textile industry here, Bonda Textiles Ltd., said he expects increased rates would hurt them because a lot of their sales are in central Canada and are small orders.

Then we have a comment from another industry. Mr. A. M. King, president of Ven Rez Products Ltd., of Shelburne, states that the company was forced to quit the Ontario market some years ago because of freight rate changes. There is one example after another of companies which have had their backs driven to the wall because of one freight rate increase after another. I do not believe it is possible for many Atlantic businesses to stand still another freight rate increase on June 19. I think the government should take all these rate increases, examine them in the context of what they do to the Atlantic business community and make a determination concerning how something can be done to assist the industry of the Atlantic provinces to survive the avalanche of escalating freight rate costs which faces them. I cannot stress too strongly how serious is the situation which has been developing in Atlantic Canada since 1969 so far as transportation is concerned, and how necessary it is to secure federal government action at the earliest possible date.

I should like to turn from the subject of transportation to that of Information Canada, because Information Canada is being discussed more and more everywhere in this country. I note that on Friday the Acting Prime Minister, the Secretary of State for External Affairs (Mr. Sharp), expressed deep disappointment at the inability of Information Canada to meet the objectives the government held for it. When Information Canada was established there was a great deal of controversy about it. We were told that the number of public relations officers in government departments was to be substantially reduced because Information Canada would absorb their duties and make them surplus to requirements.

It came as a great disappointment to me to receive today the answer to a question I had placed on the order paper on February 18 concerning Information Canada, because parts of the question dealt specifically with whether Information Canada had done its job in so far as information officers were concerned. In the first part of my question I asked what was the total work force in respect of government information officers prior to the establishment of Information Canada. In the second part of the question I asked what was the work force of all government information officers at that time. In the third part I asked for the total work force of Information Canada. The fourth part of the question dealt with the cost of Information Canada.

I tabulated the returns. With regard to the first part of the question, I was informed that prior to Information Canada being established there were 937 information officers in the public service. In answer to the second part of the question I was informed that there were 1,062 information officers in the various departments of government. That answer is exclusive of Information Canada. In other words, the total number of information officers has increased by approximately 125 since Information Canada was established, while at the same time Information Canada has 354 full-time employees plus 162 employees involved with expositions.

The total salaries and wages involved in respect of the 516 people on the staff of Information Canada is $3,132,000, out of a budget of $8,406,000 in the fiscal year 1971-72. In other words, we now have 125 additional information officers associated with various government departments plus 516 employed by Information Canada. So instead of

having 937 people involved in the dissemination of information today in Canada, we have 1,578. An article from the *Globe and Mail* states:

> The record of the past six months . . . leads one to conclude that it is urgent to consider some projects to justify our budget and existence," says the January 24 memo from Robert A. J. Phillips, deputy director of the service.
>
> The memo was addressed to director-general Jean-Louis Gagnon and is highly critical of the service's operation.
>
> "Virtually all new visible projects have been cancelled though our budget continues to rise." Spending estimates before the Commons allocate $18,354,000 to Information Canada up $3,389,000 from the fiscal year ending next March 31.
>
> The public will judge Information Canada by what it does and it is unlikely to justify its existence only by efficiency in operations it took over, for equal efficiency might have been achieved without the costly overhead of a new department."

I should like to know where the efficiency is, in view of the fact that Information Canada employs 516 people and the government departments employ 1,062 people, an increase of 125 over the number employed before Information Canada was conceived. It is no wonder the leader of my party has promised—

An hon. Member: Which one?

Mr. Coates: A voice from the wilderness! It is no wonder the leader of my party has promised to eliminate whatever one might call this. One could not call it a department of government, because it was not conceived by legislation. I suppose one might call it an abortion. It certainly acts as if it were, most of the time. Whatever it is, my leader has said that he will do away with it and he will certainly save the Canadian taxpayers many dollars when he does.

Information Canada was in fact created by the ruling party having a director appointed by the Trudeau government, responsible solely to the Trudeau government, and to be eliminated or dismissed at the pleasure of the Trudeau government. Yet this is the organization the government, in its magnanimity, has given Canadians to provide objective, unbiased and full information of the goings-on of government.

The conflict of interest is as dangerous as it is evident. No one can be unbiased about his employer when he is as dependent as the Director of Information Canada, even if he is a former chairman of the Quebec Liberal Party committee—which, I might add, issued an official biography at the time of the director's appointment containing no mention of his Liberal party affiliation. It is a known fact around the House of Commons that members like myself are constantly plagued by numerous inquiries from personnel at Information Canada requesting information they in fact are supposed to have on hand.

• (1740)

Almost without exception, when a question of mine is answered in the House, especially one that is made an order for return, I receive a call from someone in Information Canada asking me if they can have a copy of the question. That is an example of their efficiency. One of the things Information Canada was supposed to do—I read here from some of the directives—was strengthen national identity, and this they were supposed to do by using the two official languages as equally creative instruments of information. I discovered the opposite to be the effect.

I have before me correspondence which the Amherst chamber of commerce had with the Canadian government travel bureau. The Amherst chamber of commerce wanted some travel information, and this is what they were told by the Canadian government travel bureau:

> Unfortunately, the travel information literature you requested in your letter is not, for the moment, available in both languages. We regret, then, to have to inform you that it is impossible for us to provide you with the copies requested.

In other words, if they do not have the information in both languages, it is not available—nobody gets it. It is no wonder the government does not know what to do with Information Canada. It is no wonder the Secretary of State for External Affairs (Mr. Sharp) says he is disappointed in it, and it is no wonder the Leader of the Opposition (Mr. Stanfield) says that when we become the government he will do away with it.

The preceding speaker spoke about two matters in relation to foreign capital. One was with regard to the establishment of industry in Canada by foreign capital, and the other was with regard to the purchasing of land by foreign residents. I cannot get excited about where the money comes from to establish industry in Canada. I think the important thing, especially when we have an unemployment rate of 10 per cent or more in the Atlantic provinces, is to develop our resources and see that our people have jobs. It is only after they are all working that perhaps we can start becoming selective.

I think it is important that we have the right type of base, that companies which establish in this country become good citizens of our country while they are here. So long as that happens, we should not become too concerned about them. At the same time, I think we have to accept the fact that some types of companies we would just as soon not have in this country, especially when they find difficulty in establishing in their own country. An example of this occurred very recently in Nova Scotia when a great deal of discussion took place at the highest level with the premier of that province regarding the establishment of a nuclear power station there.

It is my information that the people interested in establishing that nuclear power station in Nova Scotia were interested in doing so because they could transport the electricity produced to the northeastern part of the United States. One could immediately ask: Why did that company not locate closer to where the power was required—especially in view of the fact that it was an American consortium that spoke about building the nuclear power station?

I gather that the people in the area where the power is required do not wish to have a nuclear power station in their midst. When that type of thing occurs, I think the Nova Scotia government and the federal government should become very concerned. I think there should be definite laws to the effect that a firm which is endeavouring to locate in Canada, one which is not acceptable in the country of its origin, is not acceptable in this country either.

I do not think the province of Nova Scotia should be offering sites to a company producing power for the

northeastern section of the United States when all we will get is pollution effects associated with the power produced. So far as I am concerned, and unless it is shown to be otherwise, that is what I would conclude about this nuclear power station.

There is one other point that I would like to make—the hon. member mentioned it also—referring to non-resident ownership of land. Ontario is a large province with many unused acres of land, and perhaps there is no concern here about United States citizens buying up large tracts of land. On the other hand, perhaps there is concern. There certainly is concern in Nova Scotia, especially about speculators buying up large tracts of our recreational and shoreland and using it for promotional purposes for their own benefit.

I have no objection to anyone, anywhere, having a cottage lot in the province of Nova Scotia and enjoying the qualify of life we have to offer, but I do become concerned when American or any other foreign interest buys up large tracts of our good recreational land, thus preventing our own people enjoying those lands now and in the future. They prevent our people having access to our beaches. I believe that steps must be taken, especially in a small province like Nova Scotia which has a limited amount of recreational property and a limited access to the ocean, to prevent those lands from being bought-up and cordoned-off so that our own people and those who visit our area are prevented from enjoying the benefits of the scenery and the quality of life that we have there.

I believe that in the public interest, in places such as Prince Edward Island, New Brunswick, Nova Scotia, and certainly in a place like Newfoundland and Labrador, governments must act to ensure that limited amounts of recreational property there are available to everyone. A controversy has been going on in Nova Scotia, and certainly in British Columbia, and action has been taken by some governments in this respect. I am awaiting reasonable action to be taken in Nova Scotia, but not action that will stop anyone from selling property to a bona fide purchaser or, in lieu of a bona fide purchaser, to the government at a reasonable market price.

I think action must be taken along this line to protect the public interest, to protect the people of Nova Scotia and to ensure their right to enjoy what they have in that area of Canada, as well as to ensure that people who visit our province have the right to enjoy it. However, I would certainly not go beyond that and I would certainly not set up any great difficulties for capital coming into this country, because we have many resources which can be developed before we reach our full potential.

• (1750)

I think people who at this stage of our development, with the degree of unemployment we are suffering, suggest stringent requirements for capital coming into the country are fat cats sitting in plush offices who are not worried about where their next pay cheque is coming from. They are not people who are looking for jobs, who do not know if they will have a pay cheque next week. If they were, they would not be as concerned about the establishment of industry by foreign interests as they would be in providing jobs for the people who need jobs—and there are a great many in this country today who do need jobs.

[Mr. Coates.]

Mr. Jerry Pringle (Fraser Valley East): Mr. Speaker, I have listened with a great deal of interest to the speeches made in the House this afternoon. I was somewhat surprised by the statements of the hon. member for South Shore (Mr. Crouse) in as much as almost every criticism he made could easily be refuted simply by referring to the facts.

I know there are some anomalies in the operation of the financial structure of government. I appreciate the points that have been raised by the hon. member who preceded me. However, I think all deliberations within the House of Commons create widespread interest among Canadians but few speeches affect the daily lives of all Canadians. I submit that the budget speech falls into the latter category. In fact, I believe I could get unanimous agreement of the House on that point.

I therefore join thousands of Canadians who have expressed their approval and support of the latest budget, and I congratulate the Minister of Finance (Mr. Turner) on his well balanced program, properly designed to provide a sound base from which both the public and private sectors of our economy can function and provide more jobs. The minister placed the emphasis of budgetary requirements on the needs of segments of our economic society where it can and will do the most good, not only in the short term but in the long term.

The Liberal party has long stood for social justice on the basis of a gradual but constant program of social reform within the framework of a democratic, private enterprise system, a system which allows maximum freedom to all individuals, including the right to explore their entrepreneurial abilities and a fair reward for initiative. Liberal governments over the years have initiated measures designed to promote greater social justice by relieving financial hardships faced by individuals or groups in our land. These have included, among many others, family allowances, old age pensions, medicare, shared-cost programs with the provinces, unemployment insurance, minimum wages, highway and railroad development, ship-building, the Canada Assistance Plan and scores of programs to alleviate the financial difficulties of farmers, fishermen and the self-employed in all walks of life. The budget of May 8 includes proposals to raise further supplementary pension allowances to enable the pensions of the elderly and veterans to keep pace with the cost of living, to further the tax exemptions for senior citizens, the blind and the disabled and to provide significant tax relief from the heavy burden of education.

It is recognized by all responsible citizens of our country that we do not, and cannot, exist in isolation on the North American continent. While we are, and must remain, alert to the needs of all our citizens we cannot and will not ignore requirements essential to the recognition of the entire economic system, a system which has provided Canadians with the second highest standard of living in the world—and on a per capita basis we enjoy the highest standard of living in the world—a system, Mr. Speaker, that the New Democratic Party apparently seeks to downgrade and destroy in favour of state dictatorship which

would rob us of our right to aggressive initiative so vital to all freedom-loving people.

Even though Canada's economy grew more rapidly last year than that of any industrial nation except Japan, prices increased less here than in any other nation. While we can take pride in this accomplishment, I would not suggest—I am practically quoting the Minister of Finance when I say this—that the economy is working at top efficiency while people willing and able to work cannot find jobs.

What about jobs? Where do they surface? The minister has recognized that new jobs can be spawned only by an increase in the need for more workers. He has provided some relief to sectors of the economy which now provide the highest percentage of income to workers. I refer to small businesses, which number in the tens of thousands across Canada, to medium and large corporations and a few giant corporations as well.

May I call it six o'clock, Mr. Speaker?

[*Translation*]

The Acting Speaker (Mr. Boulanger): It being six o'clock, I do now leave the chair until eight o'clock.

At 6 p.m. the House took recess.

[*English*]

AFTER RECESS

The House resumed at 8 p.m.

Mr. Pringle: Mr. Speaker, I had the privilege of calling it six o'clock when I was discussing the importance of employment and jobs and how our government and, I certainly agree, all governments place a special importance on jobs for people. This is really the basis of a democratic society. I asked these questions: What about jobs? Where do they surface?

I would like to ask now: What about jobs? How are jobs financed? Contrary to the preachings of the New Democratic Party, my good friends to the left—

Mr. Paproski: The far left.

Mr. Pringle: —the far left, and some members of other opposition parties as well, jobs do not just happen. Contrary to the preachings of the New Democratic Party and some members of other opposition parties as well, jobs do not just happen: they must be financed by money which is surplus to operating and living costs. It is not possible to provide new jobs without funds made available for expansion of facilities and development of additional markets. Jobs are one of the most important facets of our society. In other words, Mr. Speaker, without risk capital in the hands of those willing to invest in an expanding economy, the rate of decrease in unemployment can be seriously retarded. We have many situations to prove this point. What about jobs? Is profit important or essential?

I submit, Mr. Speaker, that "profit"—a word which has not been accepted as well in the last few years as it used to be, but which will surely be accepted again—stands almost alone as a source of risk capital. How much risk capital do we get from our wages which we spend entirely on living expenses and which we need to keep our homes and to provide our families with the necessities of life and the recreational facilities so important to us? How much surplus do we have to provide risk capital? Not very much! It is the philosophy of my friends in the socialist group that business should operate on a break-even basis. That has bankrupted many businesses, Mr. Speaker, and I submit that if we in this country attempted to operate our business on a break-even basis it could bankrupt our workers and our new opportunities almost overnight.

It therefore follows that economic expansion necessary to provide more jobs and increase purchasing power can only be assured by permitting more funds to accumulate as risk capital or profit. The Minister of Finance has recognized this need, and I am convinced that thousands of Canadians will respond by again initiating a new wave of production expansion. In my riding there is already an indication that this is taking place. The minister has proposed reducing the top rate of corporate tax on manufacturing and processing profits to 40 per cent, and the rate on small business to 20 per cent as of January 1, 1973.

• (2010)

I emphasize, Mr. Speaker, the importance of the small business in Canada. When we talk about corporations, it is thought we talk about giant corporations, that we think of those corporations operating at Windsor and areas such as Toronto. Nevertheless, we must think about the thousands of small businessmen who line the main streets of our nation. They are the backbone, the people who provide jobs for other people of their areas. We must think of the small operator, the dairy producer, the man who operates the small store in our small towns. People like that have not disappeared. Some of them stay open after hours, for which they earn extra recompense. They provide a real service and fill a real need of our consumers. It is unfortunate that we seem to refer to giant corporations when we speak in this House of corporations, because the real backbone of this country, in my opinion, is still the small businessman.

The minister has also proposed that we should permit manufacturers and processors to depreciate fully the cost of machinery and equipment acquired, after budget night, within a two-year period. This provision is not being enacted for the giants alone; it is being enacted for the smaller processors of our nation as well as for the manufacturers: it is to benefit those in business in all parts of our country who need to be given an incentive to provide more jobs. To allow them to do this, they will not be so heavily taxed. They now know that they will not need to pay such a high percentage of their profits to the federal government but can divert some of this money and produce jobs with it.

The manufacturing and processing sector, Mr. Speaker, is the largest single source of employment in Canada, providing jobs for more than one-fifth of all working Canadians. The suggestion that employment of new workers will be negated by automation is nonsense. This concept was loudly expounded following the invention of the cotton-gin during the revolution and has yet to be proven valid. Automation has been used to relieve the worker and shorten periods of labour.

I give the labour movement and its leaders full credit for the leadership they have shown over the years. I have always given them full credit. I know that in the past the leaders of the labour movement provided essential leadership for the people they represented and a reasonable balance was struck. I wish I could say the same thing today, but I am afraid I cannot.

It has also been suggested, Mr. Speaker, that tax reductions to individuals would be preferable to reductions in corporation tax, on the basis that consumers would be given greater purchasing power. The weakness of this suggestion can be seen if one compares imports of products into Canada against increasing Canadian production which is necessary to compete with foreign imports. We are all human: we all buy where we can get the best deal, and we do not always buy Canadian-made products if we want to get the best deal possible by virtue of volume production. An increase in volume of production decreases the per unit cost. Therefore, we ought not to increase the sale of imports but, instead, increase the sale of Canadian products and in that way make it possible for costs per unit of Canadian products to be lowered, to improve. We must encourage Canadian production, not imports. I think the Minister of Finance (Mr. Turner) has taken the right stand in this regard.

I ask, what about jobs? Is inflation on a collision course with jobs? At this date control of inflation is virtually, in my opinion, non-existent. The voluntary approach based on gentlemen's agreements cannot work. Over the years, codes of ethics and gentlemen's agreements have been prevalent. In other words, there has been no shortage of gentlemen's agreements—just, possibly, a shortage of gentlemen.

Economists treat inflation control much as we treat the weather—lots of lip service but really no solution. A suggested cure, Mr. Speaker, which seems to be gaining popularity is the concept of price and income controls. I favour another phrase which in my opinion more properly labels the dilemma: cost control, or controls of all costs. I am speaking of all costs, not just prices charged at the grocery store or the excessive demands of organized wage and salaried earners. In this I do not include reasonable demands—I emphasize that reasonable demands I do not include—but excessive demands I do include. I am speaking of all costs.

If each Canadian were assured that cost increases were to be frozen, then the law would apply to everyone in our society, to those in the professions, to landlords, bankers, land speculators—to everyone. It sounds a bit gruesome, does it not? Well, government control of our daily lives is gruesome. However, I can think of nothing more unfair or potentially discriminatory than selective controls. We learned this during the war, although we do not like to admit it now. Let me ask, again, what about jobs, and what about inflation? These two questions, stated together, remind me of a dog chasing its tail. The puzzle is, which of the two is the dog?

One cardinal fact every processor, every manufacturer knows is that any increase in costs without matching productivity results either in price increase or bankruptcy. Therefore, it has been my experience that any increase in cost without matching productivity is inflationary. I have never seen any statement contradicting this or proving the concept wrong.

Unfortunately, Mr. Speaker, those responsible for causing increased costs do not always pay their fair share of the increase. Two-thirds of Canadians either live on fixed incomes or are self-employed. The real threat of inflation is felt by our senior citizens, farmers, fishermen and the like. Pension adjustments and tax relief to small businesses, as evidenced in the budget speech of the Minister of Finance, will help to some extent.

May I reiterate my congratulations to the minister for the relief to be given to these people through income tax measures, as announced in the budget. However, I am disappointed that adjustments were not announced which could correct some of the unfair anomalies relating to excise tax and sales tax. For example, tea, coffee and powdered drinks are exempt from federal sales tax. Ice cream cones, popsicles and the like are free of federal sales tax.

Some hon. Members: Hear, hear!

Mr. Pringle: I am delighted the Minister of Finance is listening and has shown his interest. Soft drinks, Mr. Speaker, are not so exempt, being subject to a 12 per cent tax which, when fairly examined, will be seen as a discriminatory tax. I will not discuss any comparison that is based on essential, nutritional values. Anyone who has experienced, "coffee nerves" as opposed to the "pause that refreshes" will agree that all these beverages are consumed principally because they provide a pleasant break and, as well, provide some psychological relief of tension. I am not in the soft-drink business, Mr. Speaker. We in British Columbia enjoy a beautiful, balmy climate and drink many soft drinks. On occasions when people in the cold climate of the east would probably require tea or coffee, our people prefer soft drinks.

Some hon. Members: Oh, oh!

Mr. Pringle: Mr. Speaker, I am serious about my submission.

Mr. Deachman: Don't forget a plug for ice cream, Jerry.

Mr. Turner (Ottawa-Carleton): Montreal is the biggest consumer per capita.

Mr. Pringle: Of course, soft drinks, tea and coffee all provide an excuse for a break from work. The choice of beverage depends to a great extent on the season of the year and the whim of the consumer.

Mr. Turner (Ottawa-Carleton): It's the real thing!

• (2020)

Mr. Pringle: It is interesting to note that even with the discriminatory 12 per cent federal sales tax, the soft-drink industry has responsibly held prices to a much more reasonable level than brewed tea or coffee. If nothing is done, a rise in price is inevitable and the youngsters of Canada will suffer the most.

I am also concerned, Mr. Speaker, with the lack of direct federal support to the handicapped and retarded. It

is true that under the Canada Assistance Plan we provide unlimited financial cost-sharing on a 50-50 basis with the provinces. Where provincial governments approach the problem realistically, and some do, we can help. Unfortunately, there are provinces—I fear that my home province of British Columbia is one—which are willing to provide only inadequate minimum financing though the federal government stands willing, ready and able to pay half the cost. A direct approach on our part, or at least the right to share in administration, could raise the necessary assistance to a more acceptable level.

In conclusion, Mr. Speaker, may I remind the House that a more equitable approach to imports of agricultural products should be made by this government. Although the dairy and grain industries enjoy the support of tariff commitments, the small fruit and vegetable commodity groups constantly suffer from off-season shipments of vetetables such as lettuce, celery and potatoes.

Strawberry growers are unable to realize any real stability as a result of the threat of imports from low labour cost countries—such as Mexico. An investigation undertaken by the tariff board last October has not yet been reported to the interested people in the Fraser Valley. The strawberry industry is vital to the Fraser Valley. They supply some of the best strawberries on the North American continent. Not only is the quantity and the economy being hurt by this lack of attention, but the quality of strawberries is being affected. I consider this to be a very important matter and I hope the Minister of Finance will take it into consideration.

A great deal has been accomplished through marketing legislation designed to enable producers to improve stability through marketing procedures. I congratulate the Minister of Agriculture (Mr. Olson). The fowl slaughter policy recently announced by him has been unanimously accepted by egg producers. I do not expect all of those within the sound of my voice to understand the facets of this policy and I will not take the time to explain it. It has been accepted by the egg producers, not only because of the financial assistance provided but because it provides for responsible action by producers to plan production more in line with potential markets. The program will have a lasting effect in helping to stabilize the industry.

I am very pleased to support the motion to approve the recently announced budget. It is a good budget. It has been accepted right across this land. The budget was announced in the House on May 8. This is June 12, and we are debating a budget which has already been accepted by the people. Any speeches of a derogatory nature will certainly be lost as far as the people of Canada are concerned. It is a good budget, as will be substantiated over the coming months.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Breau: Mr. Speaker, I do not wish to pass, but I believe the hon. member for Edmonton Center (Mr. Paproski) should speak.

Mr. Steven E. Paproski (Edmonton Centre): Yes, Mr. Speaker—

[*English*]

The Acting Speaker (Mr. Boulanger): Order, please. I understand that the hon. member for Gloucester (Mr. Breau) wishes to concede the floor to the hon. member for Edmonton Centre (Mr. Paproski).

Mr. Breau: Yes, Mr. Speaker. But I want to be recognized after the hon. member.

Mr. Paproski: Mr. Speaker, I suppose as long as members can get up and speak in the budget debate there is still democracy left in this country. This is one of the few remaining signs of democracy. Parliament has become hobbled by the government in the application of rules designed to frustrate and stymie ordinary MPs. What is the point of sitting in the House if you are compelled to go along in the stream of meaningless government motions and legislation that often has no real purpose but to paper-over the cracks in our society?

The application of rule 43 has become a joke. The opposition was asked to go along in order to expedite the business of the House, and we did so. Day after day we have members rising with serious and urgent matters in the national interest and trying to focus attention through rule 43, and time and again there is lack of consent. How can you bring to the attention of Parliament lapses by the government, when you have to have the consent of government members? Rule 43 has done more than any other procedure to bring this House into disrepute and make Parliament a laughing-stock.

Canadians are scrutinizing this House. They want to know what is going on. There is no way they can find out. They are wondering if the entire proposition is not a waste of time and money. The opposition sits here while the government brings in legislation, generally insufficient, watered-down attempts to get a few headlines. And when we point out the deficiences, we are stymied by the rules. Parliament should be made to operate for the benefit of the people, and not vice versa.

Some hon. Members: Hear, hear!

Mr. Paproski: We are now being asked to deal with a budget. It is perhaps our only chance to say how we feel—probably the last time before the next election. We are asked to say whether we approve of the government's financial policies, and then the budget goes to committee. We are not even able to vote on the details of the budget in this House. My answer to the question whether we approve the policies or not is very simple. The answer is definitely no. How can you approve policies when you cannot find out what they are?

The former minister of finance has gone to the defence portfolio. We hope he will make as good a defence minister as he did a finance minister. If he does, the enemy will have nothing to fear. His policy was to tax and tax, to get all the traffic would bear, as he once put it. Well, they have been following that policy for ten years and I tell them that they are at the end of the line. The traffic will not bear any more. Canadians are fed-up to the teeth with high taxation: they have had it.

• (2030)

When Canadians have to give up from 15 to 20 per cent of their incomes to support waste and government extravagance, it is no wonder they want to call a halt. It is only necessary to look at the latest report of the Auditor General. Never has there been an indictment of a government in office by an officer of Parliament to equal it. The government has broken all the rules of responsible fiscal accounting.

This government has allowed the bureaucrats to take charge of spending enormous amounts of money. There is no one to call a halt, because the government itself is made up of ex-bureaucrats. When you allow the cats into the dairy, who is going to keep them out of the milk pail? That is what is happening today. Ministers and top functionaries are trying to outdo one another in crazy, harebrained schemes to spend and spend. Meanwhile, unemployment increases, taxes go up, waste goes on and the taxpayer becomes more and more fed-up.

Canadians are paying more in taxation than any nation in the western world, and they are getting less for it. The purpose of the policy was to tax in order to cure inflation. Now we have both taxes and inflation! We were to suffer taxes in order to provide jobs. Now we have high taxes and still no jobs. If this is policy, Mr. Speaker, I'll take spinach.

How long does the government think it can lead Canadians around by the nose? Even its own army of highly-paid flacks, its monolithic support from the CBC, its army of tame commentators and columnists, cannot go on convincing Canadians that what they have been subjected to for the past five years is good government. There has never been worse government. Its record is one of confusion wrapped in indecision, compounded by uncertainty.

Mr. Turner (Ottawa-Carleton): Beautiful!

Mr. Paproski: Where are they going? They are so far behind that they think they are first. They don't even know where they are coming from. I ask you, Mr. Speaker, how can they have the nerve to come before Parliament with a document such as the present budget? I am not criticizing the present minister: he inherited the mess. But he is known as the white-haired boy of the cabinet. And now we know how his hair became white. They ended up with a billion dollars more than they had calculated. What fine budgeting that is. It is so scientific. It is certainly budgeting for the scientific age. It is budgeting for the technological age!

Then the government took $750 millions of the billion dollars and handed it to industry. Let me make it plain that I am not objecting to industry getting something. But I do object to this government talking about buying Canada back and then turning around and handing out millions to American subsidiaries as they have in this budget. I think it is high time they took off the mask and stood revealed for what they are—a government subservient to big business and high finance. They know how to look after their own. The Minister of Finance is smiling. I wish they had given a little more to the oil industry and to the construction industry.

Some hon. Members: Oh, oh!

[Mr. Paproski.]

Mr. McKinley: Good old Canadian-owned industry!

Mr. Paproski: Oh, no. The industries that get help from the government are those that come around at election time. That is why the government brought down the so-called reform bill to amend the Elections Act in which, once again, the identity of the big givers to the Liberal party continue to be protected. Is that policy? Was it policy to produce a budget in which there is not one red cent for the ordinary taxpayer?

This government has created a financial mess such as we have not seen in this country for many years. And that is not the only area in which they have muddied the waters of public administration. The present immigration policy is inhumane and uncivilized. I refer in particular to the case of Alicia Wiercioch which was brought to the attention of this House by the hon. member for Parkdale (Mr. Haidasz). Regrettably, he was not given the necessary consent to move his motion. I say "regrettably" because the department showed lack of humanity and bureaucratic heartlessness which was almost unbelievable. It seemed certain that the House would have taken a more humane course. I am sure that if hon. members had known the facts of the case, their reaction would have been different.

An hon. Member: The minister has given the facts.

Mr. Paproski: If the hon. member who interrupted would like to speak, I would be glad to concede the floor. In the application of immigration laws we are dealing with people, people who have suffered a great deal, people who came to Canada to start a new life. They are freedom-loving people. And Alicia Wiercioch was one of these. It is too late now to help her, but perhaps we can at least give her a decent epitaph. She suffered much in Poland. Separated from her husband and with two small children to worry about, she came here from the unhappiness of life behind the iron curtain hoping to find that freedom to which everyone is entitled.

I hear further interruptions. This is the kind of nonsense we have to take over here when we try to call attention to the case of a woman who committed suicide because she could not stay in Canada. It is a stupid system. As I was saying, she arrived in 1968 and four years later her case was still not disposed of. Are people supposed to starve to death in this country? Why are they not allowed to take a job? We give handouts to people who won't work, and we deport people who want to work. There is something seriously wrong about a policy which grinds out and crushes down humanitarian considerations in a manner almost as brutal and ruthless as is found behind the iron curtain. Alicia Wiercioch was driven to desperation and suicide by the inhumanity of immigration policy and the inability of bureaucrats to visualize her problems in human terms.

When bureaucratic regulations are ruthlessly applied without regard for human values, that is not democracy. Members of this House are responsible to a point because we have allowed the bureaucracy to override human rights. We have allowed our powers as legislators to be taken over. We have allowed human rights to be trampled on. How can we tolerate a system through which a mother of two children, whose only crime was love of freedom

and a desire to provide for her family, can be sent a bureaucratic ultimatum telling her she is going to lose her chance for freedom? Is this what democracy has come to mean in Canada?

Alicia Wiercioch is not the only victim. I was brought into the case of a Ukrainian girl in Edmonton who would have suffered immediate imprisonment had she been returned to the Soviet Union. And yet this person, because there was no publicity in the case, was told by the department she would have to return. I was able to get hold of the minister who is a very humane man and understands such problems, and a respite was secured. But the minister cannot handle all these cases.

My information is that many people are being sent quietly back to a living death behind the iron curtain. It is not appropriate that a freedom-loving country should be in the position of acting as a kind of enforcer for the iron curtain. This is not what the Canadian people want; at least, Mr. Speaker, not those Canadians who live in my part of the country. Nor was it ever intended that departmental officials should wield the power of life and death over helpless individuals.

The Immigration Department must be shaken up until the officials who are carrying out policies and making these decisions learn the meaning of humanity. The department has to be put under a full-time minister who will see that not only justice but mercy is applied. No one minister can be responsible for dealing with unemployment, manpower direction and training, unemployment insurance and immigration as well. The present minister has too much on his plate. The entire immigration policy must be re-examined because at present its application is inhuman and heartless. Draftdodgers are greeted with open arms while honest, hardworking people whose only desire is freedom are treated like criminals.

The principle must be accepted in law, particularly in immigration law, that people who are patently and obviously political refugees must be given asylum. Freedom cannot be for ourselves alone. Is it the attitude of the government that those who are seeking immigrant status from eastern Europe are second-class applicants? Will anyone say that immigrants from eastern Europe have not contributed to this country?

We are not going to stand still while this government reshapes this country in its own image and likeness. Seven million Canadians who are neither French nor English cannot go on being ignored. Perhaps we should be known as the silent minority. The government is going to hear from the Poles, Ukrainians, Czechs, Italians, Germans, Dutch and other races in this country, including Chinese and Hindus, who are sick and tired of being treated as though they did not exist.

• (2040)

Freedom cannot be a monopoly of the government or the immigration department. People who come here with a desire to be good Canadians and to work for this country should be given a fair hearing. It is time to scrap the heartless and meaningless points system which has no relation to the real contribution and the real value of people. Half of the members in this House could not qualify under the points system; neither could the majority of officials who are administering it. We do not want any more Alicia Wiercioch cases in this great, freedom-loving country of ours. We do not want people driven to suicide by unfeeling bureaucrats. As far as I am concerned, no single person should be expelled from this country from now on unless and until the case has been brought before the House of Commons, and I ask the government to give that undertaking.

We are elected to represent the people of this nation and to make decisions. I think it is time we took back some of the powers we surrendered to the bureaucrats. I am not asking for explanations from the department because I know what explanations will be forthcoming. I know that this department can produce regulations, memoranda and excuses justifying everything that took place. That is not what we want. We want a change to policies so that they will not treat people like cattle. We are supposed to be a democratic nation and it is time our immigration policies reflected that fact. I hereby give notice that I intend to oppose every case of an individual against whom no criminal charge is pending—I am not talking of extradition cases, because that is a different category—being sent back to prison and to persecution behing the iron curtain.

Immigration is a privilege, not a right; we agree about that. But that does not mean that because people come here to seek admission they give up their rights as human beings. Yet that is the attitude of the department. It has got to come to an end. It has all the appearance of being a device to keep people out rather than to allow them in.

It may be that our complacement and arrogant attitude about immigration can be justified under present circumstances from a purely administrative point of view, but I am convinced that before too long this country will be out in the immigration market begging for people to come to Canada. And when we are, we will need all the goodwill we can get. We are not going about getting this goodwill in the right way. The last time I was in Europe I met a lot of people who complained bitterly about the attitudes and the approaches of our immigration policy. I hope something will be done to correct this.

I think we have got to do more to recognize the existence of young people in this country, not by giving out one-shot handouts, like the LIP program or Opportunities for Youth, but by creating a climate in which young people will see a consistent future for themselves in contributing to the expansion of the country in new fields of research and science, the opening of the north, or new industrial expansion.

There is confusion in the country, and the Prime Minister (Mr. Trudeau) contributes to it when he goes to western Canada and accuses opposition members of contributing to alienation. He shows he just does not know what he is talking about. To us, Canada means freedom. It does not mean being placed in a little straitjacket designed by the bureaucrats in Ottawa. Nor does it mean accepting cultural programs designed by academics with a kind of hothouse approach that has no relationship to what people are thinking and feeling.

I am tired of hearing people say there is no Canadian culture and no Canadian identity. This is "bull fuzz", to use the kind of language the Prime Minister likes. Canadian identity is strong in western Canada and we do not

need anyone to tell us what it is. Culture comes from people, not from some hothouse plant cultivated by government experts in government offices. There is more real Canadian culture in western Canada than in all the government departments and boards in Ottawa. When they learn that, then this government may be on the way to understanding some of the real facts of life in Canada.

[*Translation*]

Mr. Herb Breau (Gloucester): Mr. Speaker, I am pleased to rise tonight to support the motion which the hon. Minister of Finance (Mr. Turner) introduced and which reads as follows:

That this House approves in general the budgetary policy of the government.

The minister's budget is realistic, Mr. Speaker. It does not try to be dogmatic nor impose any economic philosophy. It comes to grips with the situation as it exists and deals with it in the most pragmatic way possible.

[*English*]

The opposition, of course, are saying that the budget is not much of an exercise in the proper management of the economy. I appreciate that it is their role to criticize, to oppose and, if necessary, to obstruct. But I am at a loss to understand the opposition parties when all they do is criticize and never suggest responsible alternatives. They say they have alternatives, but anyone can suggest alternatives and not mention the cost. I mean cost not only in dollars and cents but in the over-all effect of their proposals. All they do is try for the spectacular, the good-looking headline, and for narrow political purposes only.

The Conservative leader speaks of taxing Canadians on a constant dollar. To the ordinary Canadian who reads about this in the newspapers, it might sound pretty good; he might be led to believe that this is a practical approach. But he is not told by the Leader of the Opposition (Mr. Stanfied) that for this to become a reality taxes will have to be increased each and every year, otherwise the economic power of the federal government will be eroded. Quite a bad thing to say for the leader of a party who advocates the concept of a guaranteed annual income, at a cost so high that he has not finished calculating it yet! Certainly, if he has, he has not told the people of Canada what the cost amounts to.

Neither has the ordinary Canadian been told that such a proposal would disrupt federal-provincial fiscal arrangements and make the estimates required so complex that it might ruin the have-not provinces. Quite a proposal for the leader of a party who is a former premier of a province and who preaches for more flexibility and better relations between the provinces and the federal government!

Nor has the ordinary Canadian been told that if this famous "constant dollar" concept should reduce the impact of the federal government in Canadian fiscal policy, it would mean that the efforts of the past and present to standardize basic social services in the country could not be continued. The role of the federal government as an equalizer would be minimized, as would its role in the field of regional development. Quite a thing to say for a maritimer, who like myself should be sensitive to the need of our area for more federal intervention to

improve our standard of living! To impair in any way the strength of the federal government would result in a economic disaster for the eastern provinces.

There is no question in my mind, having thought of the implications of the "constant dollar" concept, that the Leader of the Opposition was sincere when he suggested it, that all he was doing—

Mr. Yewchuk: He is more sincere than you are.

Mr. Breau: If he was sincere, then all I can say is that the Conservative party is bankrupt of ideas.

Mr. Yewchuk: He also knows more about it than you.

Mr. Breau: I wish he did. If he was sincere in leading Canadians to believe that such a concept was consistent and compatible with our political system, then he must be bankrupt of ideas.

Then again we have the New Democratic Party floating from one idea to another during this debate. They are the believers in economic theology who are intellectually and politically isolated in this chamber. The one thing I regret about that party is that they have left the little man. They have forgotten about the disadvantaged, whether in terms of people or in terms of geography. The NDP is now becoming under its new leader—or old, I don't know which—the spokesmen of the bourgeois middle class. They are the proponents of universality in social programs, the supporters of programs which have not closed the gap between the haves and have-nots. I used to have a lot of respect for that party, whose members were often in the past called the social conscience of this chamber. I regret that to save their political skins they have abandoned that role to speak for the high-income labour class which pushes up costs in this country to the detriment of the more than 60 per cent of non-unionized workers, the working poor. And even worse, in respect of economic development policies they are becoming more and more the spokesmen of the Ontario-dominated Canadian business establishment, those who oppose regional development because it hurts their pockets in central Canada and because it creates competition for their products in the slow-growth areas.

• (2050)

How else can one explain the crusade of the hon. member for Oshawa-Whitby (Mr. Broadbent) and the hon. member for Regina East (Mr. Burton) against the Department of Regional Economic Expansion, more specifically, the Regional Development Incentives Act. If they were speaking in any political constituency in the Maritimes or anywhere in eastern Canada, they would not have the guts to speak of such a thing. The truth of the matter is that the NDP believes in government control over everything. They will not admit that this would only perpetuate centralization in Canada. If they were honest in respect of their economic thesis they really would not believe in regional development. More bureaucracy, more control over the economy will only mean more for Ontario, which fortunately for them and unfortunately for the other regions of Canada, has become prosperous with nationalistic politics.

There has been a big change in the NDP. There has been a big change in the leadership of that party. It changed its leadership from one who was once premier of a province which had difficulties to one who is a member of the Toronto establishment. I can see why the hon. member for Oshawa-Whitby would buy this but I do not understand how the hon. member for Regina East, who is from a disadvantaged area, could be such a sucker.

[*Translation*]

Indeed, Mr. Speaker, the only party which always sticks to the same social philosophy is the Social Credit Party. The only problem is the following: the Créditistes do not yet understand it and I will even add that they never could get anybody to understand it.

However, Mr. Speaker, I would like to speak about a much more important matter which concerns me more than the opposition parties, namely my constituency and northeastern New Brunswick. Hon. members will recall that last winter, on many occasions, there were demonstrations designed to draw the attention of all Canadians to the economic situation of that area. The federal-provincial FRED agreement has often been mentioned in this connection. That agreement has just been revised and renegotiated by the two levels of government, and it should be signed shortly.

I pointed out repeatedly to the House and the Minister of Regional Economic Expansion (Mr. Marchand) that there was an almost total lack of flexibility in the administration of the agreement and that the lack of authority in the field contributed to making it more of a program that imposed a certain development to a group of people instead of a real program through which the resources of an area would be grouped, and the government services already there co-ordinated and improved, and above everything else the natural elements of progress taken advantage of in the area. Whether those elements are human, social, economic political or cultural, any development must encompass them all.

This also calls for the full participation of the people, as well as the commitment of every sector of society. I trust the new agreement soon to be signed will offer the people greater opportunities to particiapte in their own development.

I would like this evening, Mr. Speaker, to discuss three particular points concerning the efforts of the federal and provincial governments in northeastern New Brunswick.

I will deal in the first place with the need for the Department of Regional Economic Expansion and other federal departments not to be satisfied in my area with the administration of the FRED agreement. A number of other economic sectors in northeastern New Brunswick require the special attention of federal departments. Fisheries are an example. Harbour development for deep-sea fishing in the Lamèque, Shippegan, Caraquet and Lower Caraquet area is another. A more flexible policy, more closely directed to the construction of wharves for off-shore fishing, especially in the Lower Gloucester area, is quite essential. Off-shore fishing today does not only represent a financial contribution for our area, it also has a social aspect.

Transport will not be unduly affected by the FRED agreement, whether it be road building, railway service, or air transport. In fact, northeastern New Brunswick needs a much more rational and attractive policy concerning air transport service. Instead of subsidizing an inefficient service, we should favour the establishment of a jet service which would become profitable if airport facilities were centralized.

The FRED agreement must not either become a way out for the federal departments involved in northeastern New Brunswick.

The second point that I should like to raise is of great concern to me because it is related to a problem which may have nefarious social effects in the future. I am referring to the present political context in New Brunswick, to the political fact that this government has almost no members from northeastern New Brunswick. To this I add the lack of French representation in the provincial civil service. In fact, northeastern New Brunswick has fewer civil servants than the other regions of the province in Fredericton.

Even if we all want a political system more concerned with the establishment of priorities on an economical basis than with decisions of a purely political nature, when the time comes to decide upon programs or the allotment of government funds, one has to be realistic and think that the government will always protect its political interests. It may do so by taking more or less partisan decisions, but nevertheless a government must, if it wants to survive, satisfy its constituting elements.

We must remember that the FRED agreement signed in 1966 has brought to northeastern New Brunswick capital from the provincial government through the Equal Opportunities Program that come into operation on January 1, 1967.

In the same way as the federal equalization concept, this program equalized taxation in New Brunswick, as well as social services. It extended to northeastern New Brunswick services which has been inexistent for the past 100 years and direct results have been improvement of social services to the population, with secondary effects on the economy of the region.

This means that the FRED program, at that time, speeded up and intensified the development initiated by the then provincial government. As I understand it, that is the federal government concept of regional development: the Department of Regional Economic Expansion, together with the Department of Finance, through the equalization scheme, make resources available to provinces in order to intensify their development under a special agreement.

With this new FRED agreement, we have yet to see special efforts on the part of the provincial government, even though its own resources are reinforced by some $100 million from the federal government under the form of equalization payments intended to alleviate the economic problems of northeastern New Brunswick. Without such an injection from the provincial government the FRED agreement will be distorted by a conflicting philosophy about regional development between Ottawa and Fredericton.

The FRED agreement should not be used to pay for any new project of the provincial government in northeastern New Brunswick. It was not so conceived by the federal government and I do not think it should. For the last few years the New Brunswick government not only at the political level but also at the administrative level, has had the habit, for any project in northeastern New Brunswick or as soon as the population exerts pressure to obtain something, of quite carefully looking up the FRED agreement for any available funds to meet those needs.

Clearly it means that the FRED agreement will be used to meet certain provincial expenses which should have been paid by the province anyway. And we should not forget that in addition to its own budget, which New Brunswick allocates in total freedom from federal influence, the province receives some $100 million from the federal government as equalization payments. In my opinion, it would be logical that most of these payments should be channelled toward northeastern New Brunswick because that region needs them most. Otherwise, the economic gap between northeastern New Brunswick and the rest of the province is going to widen instead of closing.

I noted with interest the statement that Premier Hatfield made recently in the Legislative Assembly of New Brunswick to the effect that the province would commit itself to spend an additional amount of some $5 million under the FRED agreement. But do these $5 million actually represent an additional payment or the amount that the province expected to spend anyway as compared to what it spends elsewhere? It may well be that the provincial government appropriates $5 million for certain programs but what is the purpose of this if it spends $10 million in another area of the province to meet similar needs?

It is obvious that, over the past few years, no special effort has been made by the provincial government in the Northeastern part of New Brunswick with its own resources. There have been some efforts, but always under the FRED agreement. And I must add that the resources of the provincial government over which it has sole jurisdiction, include $100 millions in equalization payments from the federal government.

Approximately one year ago, the federal government announced a grant of $20 millions to the Province of New Brunswick for the construction of Highway 11, connecting Campbellton to Moncton. It appears that, because of this federal interference in an area of provincial jurisdiction such as highways, the province decided that the Northeastern part had already received its share for the next few years and that it would concentrate its own resources which, as I have said, include approximately $100 millions in equalization payments for the federal government and which are available for road construction in the other regions of New Brunswick. Therefore, I am asking what is the purpose of the federal government intervention in the building of Highway 11 if all it does is to make an expenditure that the province should have made anyway.

It seems to me that the province should have an annual budget of several million dollars for building highways. I feel that on top of the $20 million from the federal government, the province should spend far more than had been allocated in its highway construction estimates for eastern New Brunswick as that area has the worst highways in the province—maybe in the whole country. In fact, it is the area in which the economy makes the building of new highways most essential.

I am most concerned, Mr. Speaker, with the conflict which seems to be developing between the federal government and the province of New Brunswick over the concept of regional development and of the FRED agreement with regard to northeastern New Brunswick. Unless that province uses its own resources, which will be increased through the FRED agreement, the gap between northeastern New Brunswick and the rest of the province is not going to decrease, but rather to become ever wider, for if one excludes from the general budget of that province statutory expenses related to education, welfare and hospitalization, that budget is only going to help develop other areas in New Brunswick.

The third point I want to raise concerns not only New Brunswick but also all provinces which have negociated special agreements with the Department of Regional Economic Expansion.

• (2100)

[*English*]

I have noticed in New Brunswick that when civil servants speak about development programs which are undertaken by both levels of government, they lack understanding of each other's viewpoint. I speak, of course, of civil servants of the federal governmant and of the provincial government.

I will take as an example the Community Improvement Corporation, called the CIC, an agency of the government of New Brunswick which is responsible for the administration of the northeast New Brunswick FRED agreement. The CIC, under its president Mr. Pat Blanchard, has to be one of the most responsive government organizations of which I have ever heard. Many people have criticized it, perhaps with justification. I also have criticized the CIC in the past. But the lack of results from the northeast agreement is not the fault of those who have administered it. The fault, rather, lies in the agreement itself, its rigidity, the lack of participation and involvement of the local people themselves at the conceptual stage. The fault does not lie with the CIC.

I take the CIC as an example, however, to demonstrate how difficult it is for a group of civil servants of one government to administer a program which involves also a group of civil servants on another level of government 800 or so miles away. The negotiations for the revised northeast agreement have been unnecessarily long because the two negotiating groups were not sufficiently sensitized to each others problems. The CIC civil servant in New Brunswick lives out the problems of northeastern New Brunswick. Most of the time he is born and educated there. But he does not know and does not appreciate how the federal government functions and, therefore, feels frustrated many times when he notes a stumbling block in some of his activities originating in Ottawa.

On the other hand, how does the DREE civil servant know about the way of life in New Brunswick? Sometimes for justifiable reasons, not very much. I have wit-

nessed hundreds of times conflicts between the federal government and the New Brunswick government which had nothing to do with the different politics of the two governments. The conflicts were neither due to difference in philosophy nor to lack of knowledge of the facts, but were merely conflicts of attitude between civil servants. This was not intentional, and often both sides were right.

However, one sometimes does not understand or appreciate what the other is planning or what he is thinking. It is impossible for a CIC civil servant in New Brunswick, for example, to grasp the policy intentions of DREE in northeastern New Brunswick after two, three or even 30 meetings. Even federal civil servants have to work here for many years before they really understand a policy of the federal government. On the other hand, it is impossible for a DREE official to grasp New Brunswick's policies and even less possible for him to appreciate the economic, social or cultural history of New Brunswick after a few visits or meetings in New Brunswick.

It is expedient that DREE implement a program of exchange of civil servants with the provinces with which it engages in special programs of development. Politicians can grasp policies faster because of the close relationship of political parties at all levels in Canada and because it is one's job in politics to continually study new policies and to read about them. However, a civil servant works in a specific field and more often than not it is too limited a field.

DREE officials should temporarily become civil servants of a province, and vice-versa, without a reduction in salary and with the least possible interference in their family lives. I am sure that even if it were done on a voluntary basis, a great number of provincial civil servants would take the opportunity of working with DREE for a period of time; and the same applies to DREE civil servants who would go on probationary work in some of the provinces as temporary provincial civil servants. I am sure that details as to the cost, because of the different salary scales of the different governments, as well as moving expenses could easily be worked out with the provinces.

[*Translation*]

For both sides, the benefit of such a program would be so huge that the extra expenses for either government would be readily justifiable.

Given the endeavours of this government in regional development, perhaps it would be only reasonable if it assumed the whole cost of such a program. I urge the government,, and especially the Minister of Regional Economic Expansion, to earnestly study my suggestion and to discuss it with the provinces. Perhaps he could initiate an adequate pilot project in the northeastern area of the province, particularly under the FRED agreement.

An exchange between the officials of his department who were involved in the review of the FRED agreement and officials of the CIC might be quite profitable for those officials themselves and for both governments, and might bring closer together the federal bureaucracy and the citizens of my area.

Moreoever, the result cannot be anything but better understanding between all groups concerned. Federal officials would understand provincial policies and, in turn, provincial officials could better understand and appreciate the federal policies.

I shall therefore conclude by asking the House to pass the motion introduced by the Minister of Finance that this House approves in general the budgetary policy of the government. As I said a while ago, the budget of the Minister of Finance is realistic and comes to grips with the present situation, and I hope that the House will adopt it.

• (2110)

[*English*]

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I have listened with interest to the last two speakers on the government side. Each paid some attention to the party of which I am a member in this House. The hon. member for Gloucester (Mr. Breau), if I am not mistaken, referred to us as the party which would give the government control over everything. That was at the start of his speech. At the end of his speech he pleaded that the federal bureaucracy could come closer to the people of his area. I say he had better pray that the two do not get closer to each other.

It's a laugh, Mr. Speaker. It is the ultimate in humour for a member or supporter of the government to harpoon any party in this House for attempting to exercise government control. At the present time, in the Standing Committee on Agriculture we are debating a bill which will permit the government to administer $150 million through the Farm Credit Corporation over a period of years, but the government refuses even to divulge to the committee its latest study of how that money will be spent. Somebody behind the curtain says that it may be because the government doesn't know itself. Let me tell the hon. member for Gloucester, for his edification, that when the government gets that bill bulldozed through this House, as it will in due time, a fair amount of that money will be spent in his province to adjust his farming community to what the bureaucracy in Ottawa think it ought to be. And if he thinks that will be a happy event, he should ask his neighbours in Prince Edward Island what they think of it, because they are the first victims of the whole lousy scheme.

Mr. Breau: I did not refer to that in my speech. You did not listen.

Mr. Gleave: I listened. I can understand English, and when I put on the earphone I can understand the translation from the French. I am literate, Mr. Speaker; I even went to school. As I say, this has to be a big laugh.

The budget gave the biggest plums to big business. The government has created one of the biggest bureaucracies Ottawa has ever seen. When the hon. member talks about some future government creating a bureaucracy, I would point to what Charles Lynch, that enemy of the Liberals, recently wrote:

> The Privy Council Office, which includes the Prime Minister's establishment and represents our equivalent to the White House in Washington—

I think that's a nice touch.

> —goes up from $7.2 million to $10.8 million. This is more than the

$6.3 million it costs to operate the Senate, and it is gaining rapidly—

This is what is happening to the present government bureaucracy, yet the hon. member talks about what we might do when we come to power.

An hon. Member: There's no fear of that.

Mr. Gleave: Mr. Speaker, I am well aware of the arrogance which habitually belongs to the Liberals. They think they have the God-given right to rule Canada forever. They have been around for a while, but I don't think they should consider themselves indestructible.

I am sorry the Minister of Finance (Mr. Turner) is not in the chamber at the moment. If he would like to have an assessment of how the people of western Canada view the budget, I suggest, that he read the *Western Producer* of May 18. The headline of its editorial was, "Budget ignores the farmer." That is a pretty fair assessment of the budget. It is true that the budget gives something to processors who are the people one step removed from the farmers, but the *Western Producer* points out that in effect the government is saying that if it gives enough concessions to industry, to the corporations, then all will be well. According to the *Western Producer*, the government is working on the trickle-down theory, which holds that if you put enough money up top it will trickle down to the people below. That is an old theory, Mr. Speaker. The only trouble with it is that generally it doesn't work.

The *Western Producer* says that the government would have got a lot more action and generated a lot more employment if it had injected significant amounts of money into the purchasing sector, which includes the farming community. Real purchasing power should have been given to the consumer sector, but instead the government stayed with the idea of giving concessions to the corporations, many of which are not even Canadian. Much of the savings which these corporations will make in reduced taxes on profits will go straight out of the country. In effect we will be subsidizing these companies and the subsidy will be leaving the country completely.

Another provision in the budget deals with accelerated write-offs. It provides a two-year write-off for depreciation on equipment bought for manufacturing or processing goods in Canada. I am a farmer; I have operated a business and I know something about what depreciation means. If someone gave me a two-year write off on the equipment I use on my farm, I would think it was one of the biggest tax breaks I could get. It is the next best thing to getting a hefty cut in your income tax rate.

The ordinary, everyday Canadian is paying for this kind of write-off. The hon. member for Fraser Valley East (Mr. Pringle) was crying about the small businessman. I tell you, Mr. Speaker, that small businessmen, teachers, professional people, workingmen and their wives, whether they are on salary or hourly rated, and farmers are the people who will pick up the tab for the tax free concessions that are being given to big business. These are the people who will pay. I do not know how the government managed to justify this kind of approach, but I suppose by one means or another they will try to justify it to the people in addition to the concession that they have already given.

[Mr. Gleave.]

• (2120)

Mr. Speaker, the Prime Minister (Mr. Trudeau) enunciates policies in this House which are different from the approach he takes on the hustings. For instance, after it had been decided to pay a subsidy on hog production, this is what he said in Quebec when speaking on this question, according to an article in the *Western Producer* of February 17:

Agriculture will not be able to meet the challenge of the future if it does not become economically independent.

"Like any other industrial sector, it has to operate and will have to operate without subsidies, without outside aid, as a mature organism that has developed its full potential.

"It is becoming less and less acceptable that consumers bear the cost of farmers' deficiencies."

I wonder where the Prime Minister of Canada gets these ideas about the deficiencies of farmers. I wonder how long it took some of his experts to reach the conclusion that "Like any other industrial sector, it has to operate and will have to operate without subsidies, without outside aid . . ." An article in the Toronto *Star* of June 10 is headed "Logging threatens Quebec's environment". I do not know whether it does or does not, because I am not an expert in that field, but it struck me that in this area concessions have been given to International Telephone and Telegraph Company from both the federal and provincial governments. This article, written by Walter Stewart, reads in part:

As part of the incentive to encourage the deal, Rayonier is receiving $57.3 million in grants and loans from the federal government and the province of Quebec, along with the timber-cutting rights.

Mr. Speaker, $57.3 million from the two levels of government, while the Prime Minister stands in the same province and says that agriculture will be treated like any other industrial sector! I do not know whether the Prime Minister is trying to mislead the people of Canada or whether he does not know any better.

Mr. Benjamin: Both.

Mr. Gleave: It is very hard to tell, at times. The article winds up by taking a very serious view of the whole development. I think hon. members on the other side of the House ought to know the serious view taken by the *Western Producer*, the spokesman for western agriculture, in respect of this kind of statement. The editorial of February 17 reads:

If, on the other hand, Mr. Trudeau believes what he said in Quebec, and sees it as future policy, all we can say is that February 2 was a bad day for Canadian agriculture, and at the same time a further alienation of the farm community. That, Mr. Trudeau may find, is something that Ottawa Liberals cannot afford.

That is the kind of reaction evoked in western Canada when the Prime Minister makes a speech in Quebec. Today we have television and radio, and so on. It is not like the days of Jimmy Gardiner and Mackenzie King when they could make one speech in Quebec and then go out to Saskatoon and make another. I think the Prime Minister had better realize that the time has come when these speeches are heard right across the country.

I do not know, Mr. Speaker, if the minister and hon. members on the other side of the House realize the effect

that fiscal policies they have been following have on our exports. We can see a decline in the price per bushel of wheat, barley, rapeseed and oats by just following the upward movement of the Canadian dollar. The fiscal policies of this government permit or encourage this increased value of the Canadian dollar, and it will have its effect in one of two ways: it will result in exports being curtailed or it will result in less income in the hands of the individual or company exporting the products whether primary or manufactured. Between May 23 and June 2 the effect of this policy on the price of barley was 1½ cents per bushel. That may not seem much to members across the way, but it means a lot to the man selling the product.

Mr. Speaker, this budget does nothing about foreign ownership. In fact, by reason of tax concessions I suspect that it tends to accelerate rather than retard the pace of takeover of Canadian companies by foreign companies. I found it rather shocking, that a few days ago a committee of this House decided to hold its meeting in camera while it made up its mind who it was safe to hear on the subject so that the Committee would not be unduly influenced. The press was unable to be present at that meeting. The *Citizen*, in an editorial today, wrote:

> The Commons committee examining the foreign ownership bill was wrong to exclude the press from its first meeting. The action should not be repeated.

In another article on the same page, Charles Wheeler wrote:

> More than half of Canada's manufacturing industry is American-owned, so is the whole of Canada's oil industry, almost all its motor industry, and perhaps most important, virtually the entire means of exploiting Canada's vast reserves of mineral wealth.

Yet this does not appear to concern the government unduly, Mr. Speaker. The article goes on to say: "The process goes on". The proposals which the government bring before the House are not taken seriously by the press of this country. The government of Saskatchewan became concerned, and is concerned about the takeover of land in that province and has taken steps to protect our heritage there.

• (2130)

Land is surely one of our basic resources. For three generations people have homesteaded and developed this land. We want to protect it and make sure it remains the property of Canadians. Our desire shocks and scares to death the cabinet minister for Saskatoon-Humboldt (Mr. Land). I suppose that is understandable because his frame of mind is the same as that of his colleagues who want to do nothing about this problem. For a long time I suspected that the hon. member for Saskatoon-Humboldt did not know too much about farming: I accept that because his whole education, his training has been in law. I thought he knew something about law, considering that he was dean of the faculty of law at a university.

Mr. McCleave: Not necessarily.

Mr. Gleave: Mr. Speaker, he has commented on a provincial bill which is not an act. According to my information, this bill must go to committee; it will be examined and changes and alterations may be made to it and its approach. Before this has happened the minister has commented on it. He has said, "Ottawa opposes it." He cannot wait to make his comments. He cannot wait until the clear, sharp outlines of the proposal emerge. He said that although there has been no formal communication with the Saskatchewan government, that government knows how the federal government feels.

The final sentence in the report before me says that the Saskatchewan bill has not been passed. This may be the first time that a minister of the federal government has taken a position on a bill before a province has enacted it into law. I suppose that is understandable in view of the way this government feels about foreign ownership. Apparently it welcomes it and hopes it will move in and take over larger chunks of our land and resources. The Minister of Justice said in the House, as reported at page 2353 of *Hansard*:

> Mr. Speaker, the bill has indeed been brought to my attention and I have sought comment on its constitutional validity. Although it is only in the bill stage, it does seem to me that if it is not unconstitutional it ought to be.

I am surprised that the minister at this stage should seek a ruling. Apparently he himself has already made one. If this government displayed half as much zeal in finding ways and means to protect the interest of Canadians so that at the end of this generation or perhaps the next Canadians could be assured that they would be master in their own house, it would be worth while.

I am not talking about our owning every tree in this country, every bit of beach, every bit of shore and every bit of cultivated land; I am talking about steps which are necessary and will make Canadians confident that they will be master in their own house. Let the government do that instead of, as it has to this time, running around and letting out screams of frustration and rage because a province is concerned and wants to protect its own resources. This concern is not peculiar to Saskatchewan. The government of Alberta is moving to protect Crown lands there. Prince Edward Island is concerned, Nova Scotia is concerned and Ontario is becoming concerned.

I wonder when the federal government will become concerned. If the minister I have referred to, or any of his cohorts think they can go to Saskatchewan in the next election and use this negative approach to carry them to victory, they will be the most disillusioned men who ever ran for office. The people of Saskatchewan know what is important and they have not forgotten the antics of men like Gardiner and Mackenzie King who tried to make all sorts of deals.

Before it is too late, let the present government take concrete action and make sure that the economy can provide for our people that well-being, material and spiritual, which it is capable of providing. The government is wrong when it says, "We must have so many jobs; let us leave it to the private sector to provide them." The hon. member for Fraser Valley East said we ought to be realistic. I am realistic. I do not expect private enterprise or business to act like a sugar-daddy. As a farmer, I do not behave like a sugar-daddy: I run a farm; I produce as well as I can and make as much as I can for myself and my family. If someone were to come along and say, "We want you to hire three more men," I would wonder who would pay them.

Let us be realists; let us be practical. It is not right to ask private industry to behave like a sugar-daddy. It is not right to put this load on private industry and say to it six months or one year from now, "You did not provide the jobs we need, therefore we are going to clobber you." This is the implication left by the government. Doing this job is the government's responsibility; it must not load somebody else with that task.

When government persists in acting in that fashion it abdicates some of its responsibilities. It is for the government to administer the financial and fiscal policies of this country. It must not turn its responsibility over to the private banks and then scourge them because they charge too much interest. It is up to the government to control interest rates in this country. That is their responsibility, and they are not discharging it. I think the members in my part of the House are realists. We know that Adam Smith is buried. I sometimes think those on the other side of the House still think he is walking around.

• (2140)

[*Translation*]

Mr. T. Lefebvre (Pontiac): Mr. Speaker, for a number of reasons I am glad to take part in this debate. The first of those reasons is that I wish to congratulate the new Minister of Finance (Mr. Turner), a young, active and devoted minister, who has proved that he could present a budget both sensible and serious, worthy of an excellent administrator.

Mr. Speaker, this debate also gives me an opportunity to list the priorities which must apply to the citizens of my constituency, and which in my opinion most of the citizens of Pontiac would support unanimously.

And when I talk about priorities, I do know what I am talking about because I came to know them through a questionnaire which I recently sent to all the families of my constituency.

The third question of that poll was the following:

What are the major problems facing Canada today?

And the 900 answers received from all parts of this vast constituency, comprising 60 municipalities in the three provincial ridings of Pontiac, Gatineau and Labelle, all pointed out to the following problems:

1. Unemployment.
2. Roads.
3. No industries.
4. No jobs.
5. Social welfare.

It is therefore very easy to see that people are asking for jobs and an increased industrial development.

I agree with them and support their requests. That is why, Mr. Speaker, I am always available to those who are interested in industry in my riding. Whenever, in my office here in this building, or at home over the week-end, I meet with any officials of companies anxious to settle in my area, I do so with tremendous interest and in the hope that the action I am taking will result in creating the jobs that are so badly needed.

The Department of Regional Economic Expansion is extremely important to us, and I am very happy to thank its officials for having always given me their co-operation by accepting to meet with the businessmen who are looking for information on the grants available to industry in designated areas such as mine.

Unfortunately, applications for grants are not always accepted; but to this day several have been approved and several others are under consideration. We must not give up, and this is why I go on making representations to promote industrial development in my constituency.

Mr. Speaker, the House is certainly aware that the area which I represent went through a difficult period recently. I should like to emphasize something which has not received the attention it deserved, namely, the role of the ordinary citizen in my constituency. Every time a problem arises, be it floods in Fort Coulonge or its vicinity, or the closing down of plants in Maniwaki or Mont Laurier, the people of these communities are always ready to contribute their share in seeking solutions by joining in with study groups and task forces that are set up to deal with these problems.

I wish to commend the people in my constituency who have joined these citizens committees. I am convinced, Mr. Speaker, that a committee representing all our social classes can help in a concrete way to find solutions to the problems which concern us all.

[*English*]

There is no doubt that the Local Initiatives Program put forward by this government last winter has been an outstanding success nationally and locally in my own constituency. No less than $1,600,000 in projects was approved, creating approximately 1,000 jobs in 25 different municipalities in the constituency of Pontiac. There were, of course, many more good projects which unfortunately were not approved due to budget limitations. However, the over-all results were excellent, and I ask that the cabinet members consider seriously that this program be continued next year with even more funds allocated.

Some hon. Members: Hear, hear!

Mr. Lefebvre: We often hear that too many unemployed persons are not willing to work. In so far as my constituency is concerned, that statement is very much untrue. I spoke to many of the project leaders and asked if they had encountered difficulties in finding personnel for their projects. In almost every case I was informed that the unemployed, when approached, were eager and willing to work.

Mr. Alexander: The Prime Minister (Mr. Trudeau) says there is a right not to work.

Mr. Lefebvre: I am talking about those who are willing to work. I am talking about residents in my constituency who have proven that the often heard statement that unemployed people are not willing to work is very much untrue.

Some hon. Members: Hear, hear!

Mr. Lefebvre: I have visited many of these projects and have been amazed at the ingenuity of the promoters. There were a wide variety of projects, including the

rebuilding of the old, historic wooden bridge in Mansfield township near Fort Coulonge, the one at Grand Remous, a handcraft centre at Maniwaki, an arena and swimming pool at Mont Laurier, many community halls and recreational projects such as snowmobile trails and day care centres.

The project in Shawville is also very interesting because it secured for this municipality the ownership of a fine old building which formerly housed the post office. When the postal department vacated the old building I was happy to co-operate with the Shawville council in contacting the Crown Assets Disposal Corporation. As a result, the building was sold to the village of Shawville at a very reasonable price. Through a Local Initiatives Program grant, the council made a complete renovation of the building to accommodate the municipal offices, a meeting room and a public library. Further to this, an Opportunities for Youth grant was approved for a group of students from the area who wish to make a complete history of the district, and this will be housed in the new library.

These are some of the reasons I am a firm believer in this type of program. They involve the citizens of this country from coast to coast. This government deserves congratulation for its innovation and planning of these programs, including the highly successful Opportunities for Youth program. When the Prime Minister (Mr. Trudeau) of this country asked for government by participation, he got it. I am proud to serve with him and I hope we continue in this vein. There is a wealth of knowledge and skill in my constituency, and these programs have proved it. The people like government by participation and they want it to continue.

There have been many notable achievements in the past four years both on a national and a constituency level. We cannot rest on our laurels, however, and we, the members supporting this government, must continue our efforts on behalf of all Canadians. The new budget will result in increased pensions for our aged citizens in need of extra financial help and to other groups in need. Also of great importance is the fact that the measures announced by the Minister of Finance (Mr. Turner) will instil new confidence into the business community, resulting in more and more jobs for Canadians.

• (2150)

The region I represent possesses great potential, especially in the tourist industry. Everyone knows, of course, of the skiing facilities in the Wakefield area of the Gatineau Hills which attract thousands of tourists all winter. The new development at Mont Ste. Marie is also becoming another major winter recreational facility. The federal government, through the National Capital Commission, has been involved for many years in the tourist industry through its continued development of Gatineau Park where many of my constituents have found employment. Leslie Park, a new development in the Otter Lake area, will also help bring many more tourists into Pontiac. There is also the well known provincial park, La Vérendrye, which is continually improving its facilities and attracting increasing numbers of visitors. All these facilities are becoming year-round attractions and will eventually provide continuous employment for an ever growing number of people.

Pontiac is one of the few unspoiled areas in eastern Canada readily accessible to major urban population centres. The development of Pontiac industrially must take place bearing in mind that our lakes, forests and streams must remain unpolluted, in which case the tourist industry also can develop bringing in thousands of visitors and creating jobs for our citizens. I have been in contact with NCC officials regarding the possibility of making part of that property in my constituency available to the Ottawa Zoological Society for the establishment of a zoo. Mr. Fullerton, the chairman of the NCC, replied to my letter informing me that this is to be done and brought to the attention of the persons responsible for choosing the site of this zoo. If such a facility were established in Pontiac, the development brought about in a wide area surrounding it would be fantastic.

Mr. Speaker, as a Member of Parliament since 1965 I have learned increasingly to understand the problems of my constituents, working with them and for them. I have also learned to appreciate their suggestions and ideas, and together we have found solutions to some of these problems. In my opinion, this is the ideal way, the team work way. The citizens of Pontiac have ideas, aspirations and knowledge. They want their government and their representative to listen. This, I believe, has been done.

Another interesting project in which I have been involved is the effort to obtain recognition of old Fort William as a national historic site. This area of Pontiac county is rich in the history of the fur trading years, and I believe official recognition is deserved. The officials of the National Historic Sites and Monuments Board have replied to my letters informing me that they are at present studying the request. This area is not only of historical significance but it is one of the most beautiful along the Ottawa River. Its magnificent sand beach and towering pine trees could be developed into an outstanding tourist attraction. As far as I know, there are no official national historic sites in Pontiac, and I believe this one would be a natural choice as number one.

[*Translation*]

As I mentioned at the outset of my remarks, Mr. Speaker, there were many problems in my constituency when I was elected for the first time and problems still exist. But the Pontiac citizens are aware of the tremendous efforts made by this federal government and their Member of Parliament in order to find a solution to those problems. I have always believed, Mr. Speaker, that a Member of Parliament must first of all serve his electors, that is why I keep travelling from one end of my constituency to the other so as to meet as many people as possible and offer to help them.

We have certainly improved the lot of Canadians since 1968, Mr. Speaker, the federal government's record with regard to the social measures that have been passed is very impressive.

When I was very young, Mr. Speaker, our parish priest used to say that paradise on earth does not exist, only in heaven will we find paradise. I often think of those words when I listen to members of other parties who are always criticizing and making unrealizable election promises.

The Canadian people are very well informed; they want a strong, realistic, responsible government, a government truly representative of the Canadian people, as the present government is.

Mr. Speaker, a political party which really wants to govern in a responsible manner must introduce measures for all Canadians: senior citizens, both young and not so young people, citizens from both rural and urban areas, members of both the working and the professional classes.

It is very important that we members of this House pass legislation designed to improve living conditions for all Canadians.

We must also take into account the fact that the budget of the Canadian government is that of all taxpayers, and that all citizens have to pay their share of it. A responsible government mustt bring down a realistic budget taking its priorities into consideration as well as all of the government expenditures. In my opinion, the present budget meets these criteria and most Canadians will endorse it.

• (2200)

[*English*]

In closing, I should like to emphasize the importance to my constituency of Bill C-5, an act to amend the Farm Credit Act, which would make it possible for the Farm Credit Corporation to make loans to facilitate the efficient operation of a farm rather than being tied to the more rigid rules laid down by the present act under which it must be proven necessary to operate the farm. There are many good farms in Pontiac. Some of the best dairy farms in eastern Canada are in operation there, and beef producers are also becoming increasingly important. I know some farmers who are rapidly approaching the age of retirement. They need an opportunity to secure loans so that younger men can take over.

The Minister of Agriculture (Mr. Olson) has also stirred up interest by his recent statements about helping family farms so that the owner can enlarge his holdings or retire if he prefers. I am sure this legislation could bring benefit to my area, one in which farming is among the most important industries. Those engaged in it are honest, industrious and experienced. There are young men willing to take over if the opportunity is given them for a fair deal, which is all we are looking for.

PROCEEDINGS ON ADJOURNMENT MOTION

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

NATIONAL PARKS—LAKE LOUISE PROJECT—REQUEST FOR STATEMENT ON GOVERNMENT POSITION FOLLOWING PUBLIC HEARINGS

Mr. Randolph Harding (Kootenay West): Mr. Speaker, on May 31 I questioned the Minister of Indian Affairs and Northern Development (Mr. Chrétien) on several points arising from the proposed village Lake Louise project.

[Mr. Lefebvre.]

Other questions have been asked in the House concerning this proposal. A public hearing has been held at which the views of various organizations and individuals were heard and recorded. To date, however, the minister has avoided giving any indication as to the government's decision with regard to the proposed village Lake Louise project.

At the outset I must say I am totally opposed to this type of commercial enterprise being allowed in our national parks. I am amazed that our national parks branch would even consider such a proposal. I am also amazed and upset that the minister in charge of our national parks system has not indicated his opposition to this type of commercialization which is entirely out of keeping with national parks objectives. It is almost unbelievable to think that any consideration would be given by the minister to a foreign-owned corporation, in this case Imperial Oil Limited, obtaining a foothold in our national parks system.

In October 1968 the minister made the following statement in a speech to the Canadian National Parks conference:

> Our national parks are special places. They are dedicated, not to providing artificial sources of recreation and entertainment, but to preserving, for the benefit of present and future generations, significant natural features of our national heritage. They do not meet the over-all need for outdoor recreation space and they should not attempt to do so.
>
> To do so would be to neglect the essential purpose of our present national park system—that is, the need to preserve parts of our environment in a natural, unspoiled state.

I endorse that statement, Mr. Speaker, and it certainly runs counter to the proposed building of the village Lake Louise project in Banff national park. We do not need the urbanization of our national parks, for this is what we are trying to avoid in park development. Our citizens should be able to enjoy the natural beauties of our parks without turning them into Coney Islands.

If we give way to the proposed commercialized project called village Lake Louise, then the very objectives and principles laid down for the preservation of part of our Canadian heritage for all time will be destroyed. It will be the start of a series of commercialized projects throughout our parks system. It should be stopped now. Let us at least give preference to quality of life and of the environment over the almighty dollar as far as our national parks system is concerned.

It is surprising that no thorough ecological impact study has been done by the Department of Indian Affairs and Northern Development prior to the announcement of this proposal. To my knowledge these studies have never been made, yet they should be a requirement, especially for a project of this kind. Again, it is disturbing to think that those in control have ignored this very important aspect of conservation. This information is required before any consideration should be given to approval of the project. To my knowledge this survey has not been made. And if it has been made, it certainly was not made public at the hearings held several months ago.

I might point out that the Department of Indian Affairs and Northern Development has been rather lax, not only so far as our national parks' system is concerned but also in having adequate ecological studies made, for example in the James Bay and Arctic areas. We have seen a water-

ing down of land use permits in the north. This indicates to me that the department is more interested in the almighty dollar than in preserving the ecological balance in any part of the Canadian terrain.

I do not have much time left, Mr. Speaker, but in closing I should like to point out that Canadians generally would like to see a sharp extension of our national parks system. They would like to see more national parks spread throughout Canada. There are still several provinces without a sufficient number of national parks which would really protect the heritage of these provinces and of Canada.

But to return to the subject of village Lake Louise, we are not opposed to commercial enterprises of this nature being set up outside the park boundaries. There are many opportunities for those who wish to invest several million dollars in a topnotch ski project. This is where such a project should be built. Let us retain 100 per cent Canadian ownership of our park resources particularly insofar as village Lake Louise and Banff national park are concerned. Imperial Oil Limited, a foreign owned corporation, must be stopped from investing in this project.

Mr. Allen B. Sulatycky (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I was glad to hear the hon. member say he is in favour of a sharp extension in our national parks' system. The only thing he failed to say and to recognize is that in the past four years more national parks have been established in Canada than in the previous 50 years. We now have parks in every province and territory in Canada. Until this government came into power there were a number of provinces and territories which did not have national parks. I think a great deal of credit is due to the minister for this very sharp extension to our national parks system.

The hon. member, in his question of May 31, referred to evaluation of material gathered at the recent public hearings in respect of Lake Louise. I wish to deal with that aspect of his question. He went into the whole Lake Louise proposal. I could speak for a long time on that subject but I want to deal only with the matter he raised on May 31. The public hearing on proposals for the Lake Louise areas was the largest held to date in the series of public hearings that the national parks branch has held on national parks in Canada. We received 2,118 registered briefs plus more than 500 letters and other submissions which arrived after the deadline for official briefs. Including the transcript of presentations by 191 speakers at Calgary, the submissions and recommendations by the public total approximately 5,500 pages. This is a tremendous volume of material to review. However, we have assigned additional staff to the task of initial analysis, and the minister will soon be in a position to consider summaries and recommendations on some of the major issues.

As the minister stated on May 31, he still hopes to be able to inform the House before the summer recess of the government's decision. However, he wants to ensure that adequate consideration is given to the many reasoned and well documented submissions which were made by the public, including the recent views of the government of Alberta. I also want to point out that while many individuals and organizations adopted a simple yes or no position on the proposals, others argued in favour of a variety of modifications. Our decision is not a simple one because some future course of action must be charted for the total Lake Louise area and there is a great range of alternatives to consider.

EXTERNAL AFFAIRS—OFFER OF GOOD OFFICES BY UNITED NATIONS SECRETARY GENERAL RESPECTING VIET NAM WAR—CANADIAN POSITION—REPRESENTATION TO UNITED STATES

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, on April 25 I asked the Acting Secretary of State for External Affairs (Mr. Sharp) the following question:

> In light of the initiative taken by the Secretary General of the United Nations in making available his good offices in the settlement of the regrettably escalating conflict in Viet Nam, can the minister advise the House whether the Canadian government was consulted on this matter and whether it is lending its support and encouragement to the Secretary General in his efforts toward bringing to an end this tragic and long continued conflict and, if so, have the views of this government been conveyed to the government of the United States?

Whereupon I received the usual answer given to spokesmen of this party when the President of the Treasury Board (Mr. Drury) said:

> I will take notice of that question on behalf of the Secretary of State for External Affairs.

• (2210)

Since then I have heard nothing of Canadian consultation or extension of good offices or good wishes. There are times when in this withdrawal phase of foreign policy there seems to be a determination on the part of the government to substitute wilful blindness for involvement or concern in ticklish international affairs and episodes. While, naturally, we can find many reasons for a comfortable detachment from the Viet Nam conflict, we cannot really insulate ourselves from its outfall both potential and actual. What this long-sustained war is doing to our most powerful ally and its world role cannot be brushed aside or ignored. Viet Nam has become a horrible albatross around the American neck, a grievous burden and an issue painfully divisive of the American body politic.

At the time the Secretary General made his offer there was widespread anxiety that a sharp and dangerous new level of escalation had been reached. The action of the President of the United States in ordering the new bombing of the north and blockades of the harbour of Haiphong was a dangerous move. So was the escalation of the ground fighting ordered and executed by the North Vietnamese. This regrettably came at a time when there at least seemed some reasonable prospect of the conflict winding down. Nor can we say that there is not still a grave and serious danger: as late as today the ominous rumble of thunder out of China could be heard.

While I fervently wish to see the United States disengage completely from its debilitating and painful role in Viet Nam, I do not belong to those who rail at the American role and cast upon Washington the full load of blame and responsibility. Others are fishing in troubled waters and the people of both Viet Nams continue to suffer and die. But the war cannot go on for one bruised and bitter

year after another. The awful suffering and terror must end. Therefore, we should welcome the proffered initiative of Secretary General Waldheim. We should welcome, too, any conciliatory moves among the great powers.

For this reason I believe we should all welcome the fact that the recent escalation did not prevent the President from carrying out what was seemingly a very useful series of meetings in the Soviet Union. No one believes that summitry is the answer to all our ills or the balm of all international tensions. Yet the over-all result of the American-Russian and the Sino-American meetings cannot be anything but beneficial in a day and age when reduction of world tension is an absolute essential.

I think the time has come, too, for us to look carefully at our ICC role. If there is nothing that can be done, there is nothing to be gained by retaining the pretence of value. In this area a move by the British and Russian co-chairmen for another general conference on IndoChina might be useful. But there seems to be reason for pessimism in this connection. The reasons are well known.

In this difficult and painful problem I assure the government that any useful effort it attempts toward peace will have the hearty and sympathetic support of the official opposition. I should also say that we must retain a distance between encouragement and disillusionment. Without that, we cannot proceed to any useful role in this tangled, painful and difficult international episode.

Mr. James Hugh Faulkner (Parliamentary Secretary to Secretary of State): Mr. Speaker, as hon. members are undoubtedly aware, the difficulty affecting the possible involvement of the United Nations in the Indo China situation continues to be that neither of the parties most directly concerned, South Viet Nam and North Viet Nam, is a member of the world body, and North Viet Nam and its allies have always vigorously denied the authority of the United Nations to discuss the war in Viet Nam.

The new Secretary General of the United Nations is convinced, however, and the Canadian government shares his view, that this regrettable conflict can and should only be solved through negotiations. It was in this spirit that I understand Mr. Waldheim offered the good offices of the United Nations to all the parties concerned, on condition that all the parties concerned agreed to it. Unfortunately, as the Secretary General reported in an interview a few weeks ago, none of the parties gave any clear response to his offer.

As the Secretary of State for External Affairs (Mr. Sharp) indicated in the House on April 26, Canada would be willing to co-operate with the Secretary General in any way that might be useful in order to promote the peaceful resolution of the Viet Nam conflict through negotiations. However, the question of whether an offer of good offices, including that made by the Secretary General, will be successful depends on whether the various parties agree to negotiations and are prepared to discuss the issues. Of course, a form for negotiations already exists in the Paris conference on Viet Nam where both public and secret talks have been held. We have favoured the return of the parties to the Paris conference but negotiations cannot be forced on them.

[Mr. Macquarrie.]

As has been said in the House before, there must be disposition to negotiate and there must be disposition to agree. As soon as there is any hope in this respect there may then be an opening for Canada or for the United Nations to make a helpful contribution. I can assure the House that in the meantime the Canadian government will persist in its efforts to promote the resolution of the conflict through negotiation.

YOUTH—OPPORTUNITIES FOR YOUTH PROGRAM—REJECTED APPLICATIONS—RESULTS OF SOLICITATION OF COMPANIES TO PROVIDE JOBS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, on May 31 I put a question to the Secretary of State (Mr. Pelletier) regarding the Opportunities for Youth program. I asked:

In view of the fact that the government has had a team calling on businessmen during the month of May to solicit private support for the opportunities for youth project applications turned down by the government, would the minister inform the House when he will publish the list of corporations that have agreed to participate in this plan?

At that time the minister said he would consider it, but he regretted to inform me that the list was not a long one. Today or yesterday I read an article, I believe in the Ottawa *Citizen*, which reported that a spokesman in the minister's department had said two companies had agreed to participate in picking up project applications. I cannot believe that there can only be two such companies, so I decided to raise the matter on the "late show" tonight. I believe the minister must be more successful than that. Also, today I noticed a report in the paper that Opportunities for Youth officials in Regina had talked to businessmen there, trying to encourage them to pick up Opportunities for Youth programs that had been turned down by the government.

Tonight I want to know more about this program, how many companies have agreed to participate in it, how many projects they have picked up and how many people will be employed. I would also like to know about the team that is going out to solicit support from corporations. How much is the department spending on this team and how many people are participating in it?

I think that in general the Opportunities for Youth program is basically and essentially a good idea. It is an idea that allows students to participate in creating something that they think is useful. But I do have many concerns about it. One of the chief concerns I have is shared by some hon. members opposite as pointed out, I believe, in the Cohen report that was commissioned by the department. It said that last year most of the emphasis was placed on middle-class students, that most of the jobs went to those who could afford to go to university without student jobs, that these students were wealthy enough and could get by without Opportunities for Youth grants.

This is one of the criticisms of the program. It is very middle-class oriented. This is something the government should try to correct. For that reason I have suggested that an Opportunities for Youth or similar program should be started for non-student young people so that the young unemployed, the young workers, the young farmers could take advantage of such a program. This is one of

the recommendations the government should act upon if it is to make this program really relevant and meaningful to our young people.

I believe that in this year's Opportunities for Youth program only about 9 per cent of the participants are non-students. The rest are students. I suggest that this is a serious oversight. Also, the Opportunities for Youth program, in the way it is set up today, is a very short-term solution. Maybe it should be a continuing thing. The Opportunities for Youth program in many ways, for many young people is partly what they would call tokenism.

• (2220)

I would be glad if the parliamentary secretary would tell us what is going to happen to our university graduates. I noticed in the latest edition of the *Financial Times* an article which said that a lot of university students coming on the labour market this year are unable to find jobs. In 1965, corporations and companies were asking students to work for them, but now we find the reverse to be true and students cannot find jobs. The University of Toronto predicts that 25 per cent of the graduates will not be able to find employment, this despite the fact that many graduates will go back to university to continue their education.

I should like to ask the parliamentary secretary to elaborate on this part of the Opportunities for Youth program. How many companies are participating, how successful are they and what are the plans to approach large corporations?

Mr. James Hugh Faulkner (Parliamentary Secretary to Secretary of State): Mr. Speaker, the hon. member has posed a number of questions but as we all know, I am restricted under Standing Orders to three minutes. Therefore I will attempt to deal with the major question, liaison with the private sector under the auspices of OFY.

The hon. member will appreciate that our liaison with the private sector to encourage participation in Opportunities for Youth-type projects has necessarily been experimental. Our efforts to date have established three avenues of possible involvement by the private sector in this new employment style: one, shared-coast programs on projects of an entrepreneurial nature; two, referral of submitted OFY projects for complete funding by the private sector; and three, development of OFY-type programs by the private sector.

Both Shell Canada Ltd. and John Labatt Ltd. are participating in the shared-cost projects to create 39 jobs at a total cost of $18,500 to the government and $50,000 to the private sector. An example of this approach is a project in Victoria, British Columbia, to produce toys and playground materials specially adapted for use by exceptional children. Using $20,000 and donated materials, this project will supply hospitals and institutions with equipment valued at close to $100,000 and is viewed as a pilot operation for the possible development of a new industry for the Island.

John Labatt Ltd. is also experimenting with funding projects, which are referred to them by OFY, entirely by themselves. At a cost of $15,000 they have funded a project submitted by students of the University of Toronto business school to do management consulting for small businesses in the city. Finally, many companies have expressed interest in developing OFY-type programs within their own organizations. To date, only Dominion Textiles have done so, creating 28 project-oriented jobs filled by student applicants, at a cost of $40,000.

Thus our liaison with the private sector to date has created approximately 70 jobs with $125,000 committed by business. I must emphasize that each of the projects is highly experimental and is being closely followed by others in the private sector. We feel that the success of these initial projects will encourage others with whom we are presently consulting to participate themselves.

Motion agreed to and the House adjourned at 10.26 p.m.

HOUSE OF COMMONS

Tuesday, June 13, 1972

The House met at 2 p.m.

ROUTINE PROCEEDINGS

LABOUR CONDITIONS

UNEMPLOYMENT AMONG THOSE UNDER AGE OF 25—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. David MacDonald (Egmont): Mr. Speaker, I rise under the provisions of Standing Order 43. Although young people constitute roughly a quarter of the labour force, figures released today reveal that 48.7 per cent, or almost half the number of unemployed Canadians, are under the age of 25, indicating a six percentage point increase in youth unemployment over the previous month involving some 269,000 young people who cannot find work. Therefore under Standing Order 43 I move, seconded by the hon. member for Huron (Mr. McKinley):

That this House

(1) direct the Minister of Manpower and the Secretary of State to review immediately special employment programs of their departments with a view to achieving interim expansion and maximum effectiveness;

(2) require the interdepartmental committee responsible for youth employment policies to appear before an appropriate committee of the House;

(3) urge the government to arrange a special consultation with the provinces and industry to develop immediate and long-term programs to meet this grave national crisis.

Mr. Speaker: The hon. member's motion requires unanimous consent. Is there unanimity?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity. The hon. member's motion cannot be put.

Mr. MacDonald (Egmont): On a point of order, Mr. Speaker, since it has been some months since this interdepartmental committee was supposedly established, I wonder whether the Prime Minister or the government House leader could indicate when there will be a statement with respect to the progress made by this committee?

Mr. Speaker: Order, please. That is not a point of order.

WELFARE

REIMBURSEMENT OF PROVINCES FOR PAYMENTS UNTIL UNEMPLOYMENT INSURANCE CHEQUES RECEIVED—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity which has come about as a result of the provinces and municipalities having to pay several million dollars for welfare last winter because of the delays in the issuance of unemployment insurance cheques. Further, no arrangement has been made between most of the provinces and the federal government for the reimbursement of this money. I believe that the province of Ontario has spent some $3 million of which $1½ million should be repaid. Accordingly I would move, seconded by the hon. member for Saint John-Lancaster (Mr. Bell):

• (1410)

That this House urges the Treasury Board to direct the Auditor General of Canada, pursuant to section 62 of the Financial Administration Act, to inquire into and report to the House upon the failure of the government to pay back to the provinces and municipalities the millions of dollars paid out by them during the winter in welfare payments and administration costs due to default of the government and the Unemployment Insurance Commission; and further to inquire into and report upon the failure of the government to offer arrangements, suitable to all the provinces, with regard to the assignment of unemployment insurance cheques in future and similar circumstances.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The motion cannot be put.

* * *

DEPARTMENT OF THE SOLICITOR GENERAL BILL

MEASURE RESPECTING CORRECTIONAL SERVICE PROGRAM

On the order: Introduction of Bills.

June 2, 1972—Mr. Howard (Skeena)—Bill intitled: An Act respecting the Department of the Solicitor General (correctional services program).

Mr. Howard (Skeena): Mr. Speaker, having found a procedurally correct way to cut out the fat in government I wonder whether I may have permission to withdraw this bill?

Mr. Speaker: Has the hon. member leave to withdraw the bill?

Some hon. Members: Agreed.

Order discharged and bill withdrawn.

MOTION TO ADJOURN UNDER S.O. 26

LABOUR CONDITIONS

LATEST UNEMPLOYMENT FIGURES

Mr. David Lewis (York South): Mr. Speaker, I ask leave, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), to move the adjournment of the House under Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the unemployment figures released today which show the utter failure of government programs to improve the situation and which require the immediate introduction of new policies and programs to create jobs if the situation is not to become more desperate, particularly for our young people, in the months and years ahead.

Mr. Speaker: The hon. member for York South has served the necessary notice required under Standing Order 26. This has given me an opportunity to consider the several procedural aspects of the matter which the hon. member feels should be brought forward by way of a debate under this rule.

There is no doubt that the question proposed for consideration by the hon. member is of major concern to the members of the House and to the country at large. The Chair, however, has to make a ruling in terms of the procedural acceptability of the proposed topic in relation to the requirements of Standing Order 26. In passing it should be noted that the question proposed by the hon. member for York South has been before the House on a number of occasions during the current session. I would refer the House to one such occasion which occurred when the hon. member for York South moved a sub-amendment to the address debate on February 18, 1972.

My main reason, however, for being unable to find that this is an appropriate subject for an emergency debate at this time lies in the specific requirements of Standing Order 26 itself. As hon. members know, in determining the matter of urgent consideration the Chair must under section 5, take into account the probability of the matter being brought before the House within a reasonable time by other means. Today is June 13. During the current supply period there are 14 sitting days. Of those 14 days, under the Standing Orders there still remain seven days to be allotted to the business of supply and there remains also the final day of the budget debate today. Therefore, between now and the conclusion of the current supply period more than half of the time available to the House must be ordered for debate on topics to be brought to our attention by hon. members. That being the case, it would seem that there will be ample opportunity for this important matter, and others, to be dealt with. For these reasons the Chair cannot entertain the proposed motion of the hon. member for York South.

[Mr. Speaker.]

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

UNEMPLOYMENT—ADDITIONAL MEASURES TO ALLEVIATE PROBLEM IN LIGHT OF LATEST FIGURES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to address a question to the Minister of Finance arising out of the shocking unemployment figures issued today by Statistics Canada. In light of these figures is the minister considering any new measures other than those proposed in his budget which he presented to the House early in May? In particular, instead of allowing the income tax to increase on January 1 is he considering some reduction in income tax, and is he also considering some inducements to investment which would be more meaningful in the formation of new companies, thus bringing more employment through investment in Canada?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, in the budget address which I made to the House on May 8 I warned that there would be monthly variations in the figures. I have been appraising the figures for this month. I am not happy with those figures, but wish to state to the House that I see no reason to change the basic view I then expressed. The economy is in an expansionary phase. It is strong and growing, and this has been reflected in the report of Statistics Canada which stated that there were 260,000 new jobs between April and May.

Mr. Stanfield: The minister is aware that this is only the normal increase in employment between those two months. Now that he has had his present responsibilities for several months, may I ask whether he tolerates the present level of unemployment because of his concern with inflation? Is that why the minister tolerates this level of unemployment?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I am sure the Leader of the Opposition heard me on the first occasion I had the opportunity to speak in the House as Minister of Finance, and again in the budget debate, when I said that my No. 1 priority was jobs. That remains the No. 1 priority.

Mr. Stanfield: Mr. Speaker, perhaps the Prime Minister has the answer. In view of the vast number of unemployed with nearly 50 per cent being under the age of 25, representing some 269,000 people or nearly 11 per cent of the total number of Canadians in the work force, is the Prime Minister going to propose any new programs or any expansion of existing programs in light of this alarming social phenomenon, or does the Prime Minister know of enough unfilled jobs which can meet this need?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it seems to me the Leader of the Opposition is asking me the same question that he asked the Minister of Finance.

Mr. Baldwin: To which he did not get an answer.

Some hon. Members: Oh, oh!

Mr. Stanfield: Let's get Ben back.

UNEMPLOYMENT—NEW POLICIES TO PROVIDE JOBS NEXT FALL AND WINTER—PROVISION OF EMPLOYMENT FOR YOUNG PEOPLE THIS SUMMER

Mr. David Lewis (York South): Mr. Speaker, I am rising on a supplementary question, but perhaps it would be fair if I were to suggest that Your Honour could consider it my main question. In view of the inevitable time lag which always occurs between the planning for jobs and the investing which is undertaken in order to create jobs eventually, and in view of the underlying trend which has kept the unemployment rate at about 6 per cent or over for 24 consecutive months, are the Minister of Finance and the government considering additional policies to be introduced immediately in the hope that they will produce jobs next fall and winter so as to reduce the level of unemployment?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I am confident that that very concept of a time lag between the institution of an economic policy and the results, a time lag which I think has been underestimated in the past by economists, will now work in favour of the country, because the expansionary policy of the government and the expansion of the economy have now been operating for a sufficient length of time that we should soon feel the results.

Mr. Lewis: Is the minister so complacent about the situation—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member knows he cannot preface a question that way. Perhaps he might ask the question directly.

Mr. Lewis: Mr. Speaker, this is so serious a subject and the minister's—

Some hon. Members: Oh, oh!

Mr. Lewis: —answers are so irating that I think the comment was justified. In view of the obvious and utter failure of the government's policies and programs such as Opportunities for Youth, LIP and so on to have any affect on the level of unemployment in this country, may I ask whether any new policies are being prepared at least to meet the needs of our young people this summer so that their discouragement and frustration may be somewhat alleviated?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I assure the hon. member that he has no monopoly on concern for the unemployed of this country.

Mr. Lewis: Then show some.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I have directed my attention primarily to that subject. I will not be satisfied until the expansion of the economy is reflected not only in higher employment, which is already the case in the number of new jobs, but in an appreciable reduction in the number of unemployed.

• (1420)

Mr. Lewis: Mr. Speaker, may I then ask the minister this question. In view of the fact that the policies to date have not had the effect of reducing the seasonally adjusted numbers of unemployed, in view of the fact that the growth in the labour force has been a constant factor for many months, indeed, for some years, and, finally, in view of the fact that today is the last day of the budget debate, is the minister at last prepared to reconsider his policies and introduce today an over-all substantial personal income tax cut for the lower and middle-income groups in Canada so that aggregate demand may be increased immediately and the economy stimulated adequately?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I stand behind the budget policies and I assure the hon. member I have confidence that they will be justified.

SUGGESTED REPEGGING OF CANADIAN DOLLAR TO INCREASE EXPORTS AND CREATE JOBS

Mr. William Skoreyko (Edmonton East): Mr. Speaker, I have a supplementary question for the Minister of Finance. Will the minister give consideration to repegging the Canadian dollar so as to expand our manufacturing complex and therefore expand the export market which would create more jobs?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I am not sure that the suggestion of the hon. member would have the result that he seeks. The Canadian government has decided to maintain the floating dollar until the international monetary situation stabilizes sufficiently.

UNEMPLOYMENT AMONG YOUNG PEOPLE—INQUIRY AS TO REPORT AND DECISIONS OF INTERDEPARTMENTAL COMMITTEE

Mr. David MacDonald (Egmont): Mr. Speaker, I have a supplementary question for the Prime Minister. Inasmuch as almost one year ago the Prime Minister indicated that the government was alarmed at the growing and continuing numbers of unemployed young people, and in view of the fact that some time ago he indicated there had been established an interdepartmental committee to look at the whole question of youth employment policies, can the Prime Minister indicate whether that committee will be reporting shortly or whether it has arrived at any specific decisions with regard to this very serious situation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not sure to which committee the hon. member is referring. I would have to look up the reference he has suggested. Obviously the government has taken steps with regard to young people in our employment programs. It is as a result of government initiative that we have the Opportunities for Youth and Local Initiatives Programs.

Inquiries of the Ministry

SUGGESTED ACCEPTANCE OF REJECTED OPPORTUNITIES FOR YOUTH PROJECTS TO PROVIDE JOBS

Mr. MacDonald (Egmont): With regard to these various programs and the actual increase in youth unemployment that took place during the past month, will the Prime Minister and the government give consideration to reviewing their policies again with regard to the Opportunities for Youth program in view of the fact that so many projects were not accepted which might be immediately funded in order to stimulate a certain amount of increased youth employment where it is so desperately needed?

Mr. Trudeau: Mr. Speaker, I thank the hon. member for his constructive suggestion. The government is considering these matters all the time.

UNEMPLOYMENT—SUGGESTED CHANGING OF ADVISERS TO MINISTER OF FINANCE

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to direct a supplementary question to the Minister of Finance. In view of the fact that government policy in the field of employment in this country has for some years rested on the advice of certain individuals in the Bank of Canada and the Department of Finance, does the minister have any plans to change his advisers?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I have confidence in the men and women who advise me. If there are to be any changes, I would certainly want to discuss them with the hon. member.

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WELFARE

REIMBURSEMENT OF PROVINCES FOR PAYMENTS UNTIL UNEMPLOYMENT INSURANCE CHEQUES RECEIVED

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I wish to direct a question to the Prime Minister on the basis of the motion under Standing Order 43 moved by me earlier this afternoon. Why has the federal government not attempted to reimburse the provinces and municipalities which expended certain moneys for welfare as a result of issuance of unemployment insurance cheques being late during the winter months?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would have to study the suggestion with greater care, but the way it came out it seemed to me that the hon. member did not bring much attention to bear on the fact that unemployment cheques were late in many cases without the federal government in any sense being responsible for that.

Some hon. Members: Oh, oh!

Mr. Trudeau: In many cases it was because applicants themselves did not fill out the forms correctly or because employers did not provide the right kind of advice.

Some hon. Members: Oh, oh!

[Mr. Trudeau.]

Mr. Alexander: Would the Prime Minister explain to the House why the Unemployment Insurance Commission, which has offered agreements to all the provinces in connection with the future assignment of its cheques, has been unable to formulate an acceptable agreement with seven of the provinces, and why no new agreements have been signed since early March in spite of the fact that the agreements with Nova Scotia and Newfoundland are proving extremely effective? Why has no agreement been signed with any of the other provinces?

Mr. Trudeau: I apologize to the hon. member but I missed the first part of his question because of the noise coming from his own benches.

Mr. Alexander: I will rephrase the question. In view of the fact the federal government now has agreement with three of the provinces with respect to reimbursement for and assignment of welfare cheques issued in consequence of late payment of unemployment insurance benefits, can the Prime Minister tell us what is the hold-up with respect to concluding agreements with the seven provinces which have not yet entered into such an arrangement?

Mr. Trudeau: I have not been dealing with this matter personally, but the minister who has been doing so may wish to look at the question and provide an answer.

* * *

[*Translation*]

ENERGY

CLOSING OF GENTILLY ATOMIC PLANT—SHORTAGE OF HEAVY WATER—MEASURES TO SOLVE PROBLEM

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to put a question to the Minister of Energy, Mines and Resources.

As the Gentilly thermal station threatened some time ago to close down because it has a hard time finding heavy water, can the minister tell the House whether or not that problem has been solved to the satisfaction of the officials of the plant?

[*English*]

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I regret to say no, Mr. Speaker. Because of the shortage of heavy water in this country, which will continue for another two years, the supply of heavy water will not be sufficient to enable us to avert the proposed close-down of Gentilly in September. In this case, however, the close-down will coincide with the period set aside for maintenance and refitting. We would hope that at some time toward the end of 1973 the plant would be able to get into production again.

AIRPORTS

PICKERING TOWNSHIP SITE—REASONS FOR PROPOSED CONSTRUCTION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Transport. Would the minister take the first opportunity on motions to tell the House why the government is planning to construct a second Toronto airport when the second air terminal building, due for completion in a few days, and the construction of a second north-south runway at Malton would more than double the present capacity of the airport, and the completion of a third air terminal building as originally planned—

Mr. Speaker: Order, please.

Mr. Hees: —would enable the airport to handle the forecast traffic for another 20 years?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, it is obviously impossible for me to answer that question in detail.

Mr. Hees: On motions.

Mr. Jamieson: There is, however, voluminous documentation relating to all portions of the hon. member's question and I will see he gets copies of everything.

Mr. Hees: While the minister is considering that matter will he also consider, and tell us in the same answer, the reason the new airport at Ste. Scholastique in Quebec is to be 23 times as big as the present Toronto airport and 12 times as big as the airport which serves all the needs of the giant city of Chicago and which will be able, it is forecast, to handle air traffic there for many years to come?

Mr. Speaker: Order, please. The hon. member for Peace River.

Mr. Trudeau: Do you want it, or not?

Mr. Hees: I want some answers. I want to save the country a lot of money.

An hon. Member: Resign!

Mr. Hees: I am against make-work programs.

An hon. Member: What about unemployment?

Mr. Speaker: Order, please. The hon. member for Peace River has been recognized for the purpose of asking a question and he should be allowed to do so.

Mr. Baldwin: Thank you. I just wanted to defer to the wisdom of my hon. friend.

An hon. Member: God help you!

Inquiries of the Ministry

INDUSTRY

DOMINION AVIATION—REQUEST FOR REVIEW OF APPLICATION FOR DEVELOPMENT GRANT

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I wish to address a question to the Minister of Industry, Trade and Commerce. Some days ago I inquired about an application by Dominion Aviation, a western Canadian company involved in the development of a STOL aircraft. The minister said that he would look into this and I have not pressed him since because I realize he has had problems to deal with that have been created by his colleagues. Will he look into the matter, and is he prepared to review the application by this company for an assistance grant in light of the fact that there is an opportunity to decentralize the development of the Canadian aviation industry into western Canada?

• (1430)

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I recall very well that the application was received on April 11, but I do not know whether a decision has been made since. I will find out and let the hon. member know.

Mr. Baldwin: Will the minister try to answer this question within the next few days in view of the limited life of this part of this Parliament?

Mr. Pepin: I will do so on the next occasion, Mr. Speaker.

* * *

HOUSING

PROPOSED AMENDMENTS TO ACT—INQUIRY AS TO PRIOR CONSULTATIONS WITH PROVINCES AND RESPONSE TO PROPOSALS

Mr. John Burton (Regina East): Mr. Speaker, I should like to direct my question to the Minister of State for Urban Affairs. Can he indicate whether consultations were held with the provinces prior to the preparation and introduction of the amendments to the National Housing Act, and would the minister indicate what was the response of the provinces to any consultations that might have been held?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, discussions were held on policy proposals as one step in the consultative process. I have indicated to the provinces that we will require some further discussions with them in terms of regulations and administration of any new housing policies. I cannot in the question period capsulize all of the provincial comment except to describe it as favourable.

Mr. Burton: May I ask the minister specifically how many provinces approved in general of the government's policy proposals or approach to this matter, and would he also indicate how many provinces have not expressed any view or have not responded or been able to respond to any consultations held?

Inquiries of the Ministry

Mr. Basford: Mr. Speaker, the nature of this kind of discussion is confidential. I am not in a position to speak for the provinces. They will undoubtedly be making their views public at some point regarding these proposals and on the regulations, and I am ready to discuss all aspects of the policies with the provinces.

* * *

ENERGY

INQUIRY AS TO AGREEMENT BETWEEN CONSORTIUMS TO BUILD MACKENZIE VALLEY GAS PIPELINE—POSSIBILITY OF GOVERNMENT APPROVAL

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. Has an agreement now been arrived at between two consortiums to build a Mackenzie valley gas pipeline from the Arctic?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, at the moment I have received no formal notification of an agreement. There has been an informal indication that an agreement was close but, as I say, at the moment I have had nothing formal.

Mr. Diefenbaker: Having regard to the information, even though unofficial, that the minister has received, which apparently indicates the consortiums have come to an agreement, is it a fact that it would be highly unlikely that the government would approve a gas pipeline across Canada from Alaska if the United States rejected Canada's view and approved a trans-Alaska pipeline?

Mr. Macdonald (Rosedale): Mr. Speaker, it would depend on the nature of the application. I do not think that, a priori, one can say that such application would not be approved. I think it is also fair to point out, however, that, given the terms of Secretary Morton's statement indicating that a permit would be issued for a trans-Alaska pipeline, the government of Canada would not accept with respect to a gas pipeline the conditions that the secretary put on his authorization of an oil line. Any United States condition of that sort in relation to a gas pipeline would be unacceptable to Canada.

Mr. Diefenbaker: Did the hon. member for Esquimalt-Saanich have any basis for the statement he made in Washington—

Mr. Speaker: Order, please.

Mr. Diefenbaker: —that Ottawa would not approve a gas pipeline unless—

Mr. Speaker: Order, please. Perhaps the question might be considered as having been asked directly and the minister might reply.

Mr. Macdonald (Rosedale): Mr. Speaker, I should make it clear that the hon. member, both in that particular comment and generally, and except where he was quoting me directly, was speaking for himself.

[Mr. Burton.]

Mr. Diefenbaker: Then that gives me the opportunity to ask: Did he have any authority from the minister to make the statement that he did?

Mr. Macdonald (Rosedale): As I have just said, Mr. Speaker, the hon. member was speaking for himself.

* * *

AGRICULTURE

FEED—POSSIBLE INCLUSION OF PROTEIN CONTENT AND MINERAL PHOSPHATES UNDER FREIGHT ASSISTANCE

Mr. R. E. McKinley (Huron): Mr. Speaker, I had a question for the Minister of Agriculture but in his absence I shall direct it to his parliamentary secretary. I believe that representations have been made to the Department of Agriculture in this regard. Is the government giving consideration to having protein content and mineral phosphates for the manufacture of feed included under the feed freight assistance act?

Mr. Marcel Lessard (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I am not properly aware of this, but the matter has been under study for a certain time and the minister should be in a position soon to make a statement in this regard.

* * *

NATIONAL DEFENCE

AEROBATIC TEAM FATALITY—PROVISION OF ADEQUATE RESOURCES TO MAINTAIN HIGH TRAINING AND SAFETY STANDARDS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question for the Minister of National Defence. In light of the very tragic accident over the weekend at the air show in Trenton, is the minister assured that this aerobatic team has had in the past and will continue to have ample and adequate resources to ensure that their planning and training standards are maintained at the highest safety level?

Hon. E. J. Benson (Minister of National Defence): Mr. Speaker, I am sure that all members of the House will join with me in extending sincere sympathy to Captain Waterer's wife and relatives. I should like to indicate that an inquiry has been instituted at my instructions and when the results of the inquiry are known to me I shall be pleased to make them public. I believe that adequate funds have been provided for training purposes, but this question will be examined as well. I should point out that since aeronautics shows have been taking place during the past 24 years featuring performances of this kind there have been only seven accidents involving aircraft.

TRADE

UNITED STATES DISC PROGRAM—REQUEST FOR LIST OF AMERICAN COMPANIES MAKING USE THEREOF—POSSIBILITY OF COUNTERVAILING ACTION AGAINST AUTO FIRMS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. Is the minister in a position to provide the House today with a list of all those corporations in the United States that have established DISCs?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): No, Mr. Speaker, and I thought I had provided an explanation why I could not.

Mr. Broadbent: Is the minister in a position to tell the House how many DISCs have been established since he last reported to the House?

Mr. Pepin: Mr. Speaker, I thought I had given that answer last week. The figures are, as at the end of February, 1,150, as at the end of March—

Mr. Speaker: Order, please. I was under the impression that this kind of information had been given to the House, at which time I suggested, or I suggest now if I did not suggest then, that this kind of statistical information should normally not be given at this time. Perhaps the hon. member would like to rephrase his question.

Mr. Broadbent: I did say since the last report, Mr. Speaker, but I will go on to my final question. Is the government considering taking countervailing action against firms in the auto industry which are importing under DISC along the following lines, namely, is the government considering applying financial penalties against those companies equivalent to their DISC benefits in determining their annual commitments made under the Canada-U.S. auto pact?

Mr. Pepin: Mr. Speaker, I thought I had answered that question in my speech on the budget but I will repeat what I said. The financial measures introduced by the budget were brought in to make up in great part at least for the situation that has been created in the United States and elsewhere in the world by export subsidies. But obviously there are bound to be specific situations where the government would like to go farther. I also indicated at that time that we were trying to develop a method by which we would be better informed—we are working on this method now—about the abnormal advantages that foreign countries are giving their exporters.

Mr. Broadbent: A further supplementary question, Mr. Speaker.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Oshawa-Whitby for a last supplementary and then we must move on.

Mr. Broadbent: Mr. Speaker, since the Ford Motor Company is the only major company currently importing cars and products into Canada under DISC, is the minister prepared to take any specific action against this clear violation of the Canada-U.S. automotive agreement?

Mr. Pepin: Not as of now, Mr. Speaker.

* * *

• (1440)

POLLUTION

THREAT FROM SUNKEN "IRVING WHALE"—DECISION NOT TO AWARD CONTRACT FOR REMOVAL THIS YEAR

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to pose a question to the Minister of Transport. Is it a fact that the government has decided not to let a contract during the current year to remove the *Irving Whale* from the Gulf of St. Lawrence, although it is a known threat?

Mr. Speaker: Order, please. The question is not in order. The minister will be allowed to reply, but hon. members know it is better to ask a question directly rather than ask a minister to confirm or deny a report. The Chair is prepared to assume that the question has been asked directly, and the minister can reply in those terms.

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, the answer is yes. In other words, there will not be a contract awarded during the current year unless some new information comes to light that would ensure that the job could be carried out with absolute safety. I have written to a colleague of the hon. member and I will be glad to send him a similar letter explaining the circumstances.

[*Translation*]

Mr. Speaker: The hon. member for Champlain.

Mr. Matte: Mr. Speaker—

Mr. Speaker: I apologize to the hon. member for Champlain to whom I shall give the floor in a moment, but the hon. member for Malpeque would like to put a supplementary question.

[*English*]

Mr. MacLean: Mr. Speaker, I should like to ask the minister whether he has other contingency plans to cope with this pollution threat in some other way?

Mr. Jamieson: Not on a permanent basis, Mr. Speaker, other than to ensure that it is contained. If an underwater inspection has not been carried out yet, it will be within a matter of a few days to ensure there is no threat, to use my hon. friend's word, at the present time. We do not want to move it until we are absolutely certain we can bring it up without creating an additional hazard.

Inquiries of the Ministry

[*Translation*]

HOUSING

PROPOSED AMENDMENTS TO NATIONAL HOUSING ACT—INQUIRY RESPECTING POSITION OF QUEBEC

Mr. René Matte (Champlain): Mr. Speaker, I should like to put a question to the minister responsible for housing.

As he tabled a bill yesterday, the minister indicated that the provinces had generally reacted favourably to it and that he intended to have new consultations with them; can he therefore tell us what position the Quebec government has adopted towards that bill?

[*English*]

Hon. Ron. Basford (Minister of State for Urban Affairs): Mr. Speaker, that would have to come from the Quebec government.

[*Translation*]

PROPOSED AMENDMENTS TO NATIONAL HOUSING ACT—APPLICATION OF LOANS TO HOUSES BUILT UNDER CMHC

Mr. Roland Godin (Portneuf): Mr. Speaker, I should like to put a supplementary question.

Since the new bill provides that the Central Mortgage and Housing Corporation could grant loans to restore family dwellings, could the minister say whether those loans could be used under CMHC supervision to repair badly built houses?

Mr. Speaker: I have the impression that the member is already starting a debate which could be held when the bill will be introduced in the House.

* * *

[*English*]

TRANSPORT

ATLANTIC PROVINCES—PROPOSED FREIGHT RATE INCREASE—SUGGESTED MEETING OF MINISTER AND PROVINCIAL PREMIERS TO DETERMINE METHOD TO OVERCOME PROBLEM

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, my question is for the Minister of Transport. In view of the fact an application will be made by Canadian National Railways to the Canadian Transport Commission of June 19, for selective freight rate increases in the Atlantic provinces, will the minister give consideration to initiating a meeting with the four Atlantic premiers at the earliest possible date, if they have not already requested one with him, to attempt to determine some method to overcome the severe problem being created for the Atlantic provinces business community by this eighth freight rate increase since September, 1969?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I think that is a very good idea. I indicated to the House the other day that I had met with the Atlantic Provinces Transportation Commission, which represents some of the provinces, but a direct face to face meeting with the premiers would be a very good idea. I will explore the possibility of that today.

[Mr. Jamieson.]

ENERGY

NATURE OF PROPOSED MACKENZIE VALLEY PIPELINE—CONSORTIUMS INVOLVED IN POSSIBLE APPLICATION—POSSIBILITY OF OIL LINE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, when the Minister of Energy, Mines and Resources spoke on Friday, he said, as recorded on page 3011 of *Hansard*, that there was an application pending or he had an indication of an application by a number of companies or consortiums to build a pipeline. Just previously he had been talking about the carriage of crude petroleum by TAPS. Was he talking about a pipeline for natural gas or a pipeline to carry crude petroleum? Second, what are the names of these consortiums, and are they United States companies or Canadian enterprises?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the pipeline I was referring to involves two consortiums, Norwest Project and Gas Arctic. This is in relation to a possible gas pipeline with the dual objective of bringing Canadian gas from the Canadian delta and possibly Prudhoe Bay gas down to the southern Canadian market. Quite a number of companies, including Canadian companies, are involved in both, and I would be glad to give the hon. member a brief of the two firms involved.

Mr. Woolliams: Mr. Speaker, if this is an application to build a gas line, will the minister explain to the House what assistance or help that would be as far as the question of serious pollution of the west coast is concerned, because that pollution would be caused by crude petroleum? Is there any arrangement at this stage? That is what I tried to find out on Friday and have been for the last three years. Is there any arrangement, suggestion or plan in reference to building a pipeline to carry crude petroleum down the Mackenzie delta? That is the point.

Mr. Macdonald (Rosedale): Mr. Speaker, I tried on Friday to convey to the hon. member the fact that for some considerable time the government of Canada has tried to persuade the United States to ship not only gas but oil down through the Mackenzie delta system. However, the United States government has indicated, through Secretary Morton, that it has decided otherwise. We would still be happy to make provision for this. The research we have carried out in respect of Arctic ecology and the Mackenzie Valley generally would apply in respect of both possible gas and oil pipelines.

Mr. Speaker: The Chair will recognize the hon. member for another supplementary question, but I think we have reached the point when I must bring to the attention of hon. members that there is not much more than five minutes left before the end of the question period and there are some 20 or 25 members still seeking the floor.

Mr. Woolliams: Mr. Speaker, I will make my question short. May I take it from the minister's answer that in the negotiations between Canada and the United States regarding the piping of crude petroleum Canada's efforts have been a complete failure?

Mr. Macdonald (Rosedale): No.

Mr. Speaker: Order, please.

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CAPITAL PUNISHMENT

REQUEST THAT REVISED INFORMATION BOOKLET BE PROVIDED BEFORE DEBATE

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, notice of this question has been given to the Minister of Justice and the Solicitor General by both the hon. member for Peace River and myself. Will the Solicitor General cause to be brought up to date the helpful study of all aspects of capital punishment, commissioned by the late Mr. Favreau, in view of the fact this or the next Parliament will have to face the issue before Christmas?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, my officials are now updating the statistics and the contents of the study published earlier by the Department of Justice and, in due time, I will be pleased to make it public when the House will be dealing with the matter.

[*English*]

Mr. G. W. Baldwin (Peace River): Mr. Speaker, will the minister do what the late Mr. Favreau very competently did, make this document available to members of all parties in order to make sure that impartiality and objectivity are retained?

[*Translation*]

Mr. Goyer: Mr. Speaker, I will readily consider that suggestion.

* * *

[*English*]

OIL

ALLEGED CUT IN CANADIAN SUPPLY TO CHERRY POINT REFINERY

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Energy, Mines and Resources arising out of a statement by a spokesman for Atlantic-Richfield to the effect that the only reason his company is importing foreign oil by tanker to Cherry Point is that their oil quota has been cut by the Canadian supplier. I should like to ask the minister whether he is having discussions with this company and the oil industry generally to ensure an adequate supply of Alberta crude to the refinery at Cherry Point so that tanker importation will be unnecessary?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Yes, Mr. Speaker, I have had discussions with officials of Trans-Mountain Pipeline. They have pointed out that the United States refineries, particularly Atlantic-Richfield, have refused to take Canadian oil on a long-term contract beyond the next several years, so the increased pipeline capacity which would be necessary to supply the Paget Sound refinery cannot be financed. We would be quite happy, as would Trans-Mountain, to provide additional oil supplies with additional pipeline capacity to Atlantic-Richfield, but they have refused to give this undertaking. Therefore it has not been possible at the moment to expand that system.

Mr. Douglas: Mr. Speaker, in view of the fact that Atlantic-Richfield has already said it might not be necessary for it to use Alaska crude if it could get adequate supplies of Canadian oil, will the minister undertake to meet with officials to determine whether this guaranteed supply could be made available, thereby removing much of the hazard that has been troubling Parliament in respect of the use of Cherry Point?

Mr. Macdonald (Rosedale): Mr. Speaker, if officials of Atlantic-Richfield have been saying that it is a direct contradiction of what they have been saying both to officials of the government of Canada and of Trans-Mountain Pipeline. I would be glad to check to see whether that is, indeed, the company's position now.

* * *

AGRICULTURE

FROST DAMAGE IN SOUTHWESTERN ONTARIO—REQUEST FOR EARLY ANNOUNCEMENT RESPECTING GOVERNMENT ASSISTANCE

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, my question concerns the unseasonable frost last weekend which caused great damage in southern Ontario to tobacco, small fruits and other cash crops. The matter was brought up by a number of hon. members yesterday, and I put this question to the Parliamentary Secretary to the Minister of Agriculture. Will the investigation that is now being carried on by the department be completed in the immediate future, and will the government undertake to make an announcement as soon as possible as to whether or not any assistance will be provided to the farmers concerned? The reason I bring this matter up. Sir—

• (1450)

Mr. Speaker: Order, please. We are running short of time. Perhaps the hon. member might allow the parliamentary secretary to reply, following which the hon. member may ask a supplementary question.

[*Translation*]

Mr. Marcel Lessard (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I can tell the hon. member and his colleagues that the Department of Agriculture is aware of the situation, that officials are on the spot and that we are working in close co-operation with the Ontario government in order to estimate damages caused to several crops by the frost which took place over the weekend. When this study is over, the Department of Agriculture will be able to decide what steps should be taken further to those already taken under existing legislation.

[*English*]

Mr. Nesbitt: Would the parliamentary secretary assure the House that the statement, whatever it may be, will be

made just as soon as possible inasmuch as replacement of these crops must be done at once because of the lateness of the season?

[*Translation*]

Mr. Lessard (Lac-Saint-Jean): Mr. Speaker, I should like to assure the hon. member that this decision shall be taken in the very near future, because I agree that this is something which cannot be delayed.

[*English*]

Mr. Speaker: The hon. member for Hillsborough.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I have a supplementary question.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Hillsborough in a moment, but first we might allow the hon. member for Timiskaming to ask his supplementary question.

Mr. Peters: I should like to ask the parliamentary secretary, Mr. Speaker, whether efforts will be made by the department to ensure that replacement stock will be provided at a reasonable price and that there will be an even distribution among those who suffered this disaster?

[*Translation*]

Mr. Lessard (Lac-Saint-Jean): Mr. Speaker, I hope that the representations of the hon. member will also be taken into consideration, in all fairness to the stricken farmers.

* * *

[*English*]

EXTERNAL AFFAIRS AND NATIONAL DEFENCE

INVITATION BY STANDING COMMITTEE TO MR. IVAN HEAD TO APPEAR AS WITNESS

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to ask the Prime Minister whether he has been advised of an invitation to Mr. Ivan Head to appear as a witness before the Standing Committee on External Affairs and National Defence, and can he advise the House whether he is facilitating the appearance of that important gentleman before that illustrious committee?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I missed the first part of the question, but Mr. Head is presently at the United Nations in New York. If the hon. member would ask the relevant part of the question again, I might be able to answer it.

Mr. Macquarrie: The question was whether the Prime Minister was aware of an invitation being extended to Mr. Ivan Head by the committee for that gentleman to appear before it.

Mr. Trudeau: I was aware of that invitation. I understand that the committee did extend the invitation, and of course I would not want to interfere in the procedures of the committee. If the hon. member is interested in my point of view, I think it is a very dangerous precedent if people in ministers' offices who are exempt staff are to be invited to speak on the ideas of the government or the policies of a minister. If such were the case, there would be no objection to summoning the research staff of opposition parties in order to question them, and so on.

Some hon. Members: Hear, hear!

Mr. Trudeau: I think that if the committee is interested in knowing what the government's policies are the ministers are there to speak on them.

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BUSINESS OF THE HOUSE

REQUEST THAT MOTION SEEKING AMENDMENT OF BRITISH NORTH AMERICA ACT BE PROCEEDED WITH

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is for the President of the Privy Council. On June 2 I asked, in the government House leader's absence, a question regarding item No. 25 on the order paper, a measure to amend the British North America Act standing in the name of the Minister of Transport. I asked when it would be brought forward for action by the House. At that time the acting House leader promised a reply at the next sitting.

To date there has been no reply. Could the minister give the information today?

Hon. Allan J. MacEachen (President of the Privy Council): The chances of this item being called at an early date are rather slim.

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question is directed to the minister who introduced the resolution. Would he use his considerable influence on his cabinet colleagues to ensure that this resolution will be passed before the summer recess?

Mr. Speaker: Order, please. That is a representation.

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NATIONAL DEFENCE

SUGGESTED REPRESENTATIONS TO UNITED STATES NOT TO USE CANADIAN AIR SPACE FOR STRATEGIC AIR COMMAND PRACTICE FLIGHTS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of National Defence. In view of the fact that aircraft of the United States Strategic Air Command are to fly practice exercises over western Canada today and tomorrow and the concern that is being voiced over this, will the minister make representations to the United States authorities not to use Canadian air space over inhabited areas for such practice flights in the future?

Hon. E. J. Benson (Minister of National Defence): Mr. Speaker, when flights take place over Canada it is after consultation with the Canadian government.

Mr. Nystrom: Mr. Speaker—

Mr. Speaker: Order, please. We have just about reached the end of the question period. The hon. member may ask a quick supplementary and then I will recognize the hon. member for Edmonton Centre for a quick question, followed by the hon. member for Joliette.

Mr. Nystrom: Can the minister assure the House that compensation will be paid to anyone who might suffer damages from a sonic boom, for example?

Mr. Benson: These NORAD training flights take place continuously.

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INDUSTRY

PROPOSED CLOSING OF RENAULT PLANT—POSSIBLE RELATIONSHIP TO VISIT BY RENÉ LÉVESQUE TO FRANCE

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce or the Prime Minister. Does the minister know of any connection or relationship between René Lévesque's visit to France and the proposed closing of the Renault assembly plant in St. Bruno, Quebec?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I do not know of any. While I am on my feet, may I answer—

Mr. Speaker: Order, please. We have gone beyond the question period. Perhaps the House might allow the minister to reply to the question which he was about to answer and might also allow the hon. member for Edmonton Centre to ask a supplementary question.

Mr. Paproski: Is the minister aware of the fact that it costs $200 less to assemble a Renault in France than it does to do so in Quebec?

Mr. Speaker: Order, please.

DOMINION AVIATION—REQUEST FOR REVIEW OF APPLICATION FOR DEVELOPMENT GRANT

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I just wanted to provide further information to the bellicose member for Peace River on the subject of the Dominion Aircraft application for PAIT support. The decision will be taken in a week or two.

Mr. Speaker: As I indicated a moment ago, we might take ten seconds to allow the hon. member for Joliette, who has been waiting patiently for a few days, to ask a question.

Inquiries of the Ministry

[*Translation*]

LABOUR RELATIONS

QUEBEC—LONGSHOREMEN'S STRIKE—TELEGRAM FROM MONTREAL PORT AUTHORITIES—POSITION OF GOVERNMENT

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to direct a question to the Minister of Labour.

Since the Chairman of the port of Montreal Authority forwarded a telegram yesterday to the Minister of Labour, the Prime Minister and the Minister of Justice urging them to take the necessary steps to end the conflict which has been lasting since May 16, may I ask the minister whether it is his intention to answer in the affirmative to that telegram, or if he will keep advocating arbitration?

[*English*]

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, the necessary measure to take to resolve the dispute is for one party or the other, not waiting on the other party, to take this dispute to arbitration as is provided in the Canada Labour Code and in the collective agreement. For me to take any other position would be to open a precedent that I do not think any member of the House would wish to see, that closed agreements can be reopened at the initiative of the minister when there are other procedures provided in the agreement.

Mr. Alexander: I have a supplementary question, Mr. Speaker.

Mr. Speaker: Order, please. Hon. members will realize that we have now gone a few minutes beyond the question period. I allowed the hon. member for Joliette to ask a question because he had been waiting for a few days and I felt he should be recognized. I doubt whether we can go much farther now. Perhaps these supplementary questions might be asked tomorrow. Orders of the day.

• (1500)

GOVERNMENT ORDERS

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed, from Monday, June 12, consideration of the motion of Hon. John N. Turner (Minister of Finance) that this House approves in general the budgetary policy of the government.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, later tonight we will be asked to register our approval or disapproval of the first budget presented by the Minister of Finance (Mr. Turner). Much as many of us admire the hon. gentleman, indeed like him very much, I will have to say now on behalf of my colleagues and myself that the official opposition will be voting against the minister's first budget.

In 1971 the economy, according to the estimates of the Economic Council of Canada, operated approximately $3

billion below its potential. It appears that in 1972 the economy will operate from $2 billion to $3 billion below its potential, and that in 1973 the economy will operate at least $2 billion below potential. This is quite an indictment of the measures that the right hon. Prime Minister (Mr. Trudeau) and his government have brought in for the conduct of the country. These figures alone, Sir, would justify anybody in not having confidence in the economic and financial policies of the government.

The figures released today by Statistics Canada—perhaps it should be renamed Unemployment Canada—show there were 9,000 more people unemployed last month than there were in the same month a year ago. This fact again casts a pitiless spotlight upon the economic climate in which the country is operating. I suggest, Sir, that the budget brought in by the Minister of Finance will simply not provide the stimulus to create demand for goods and services which would increase production sufficiently to reduce the number of unemployed. I will go into that argument at somewhat greater length in the first part of my speech.

We are faced with a seasonally adjusted figure of 6.2 per cent unemployment, and all this in the light of what the Minister of Finance has said today about the priority for the creation of jobs, and what he said on February 24, as recorded at page 217 of *Hansard*:

I see our first priority to be to provide good jobs for Canadians seeking work.

And later we find this:

I fully recognize that statistics are no substitute for jobs.

At page 214, the minister's statement reads:

My first and most urgent priority is to provide continuing and well-paying jobs for those Canadians seeking them.

But still we are faced with the dreary litany of the performance of the economy with regard to the provision of jobs.

One of the measures the minister seeks to use in the budget is the reduction of corporate taxation from a top rate of 49 per cent down to 40 per cent. This is done in the hopes of stimulating investment. First, I think the mistake that is being made is that the government, having fallen so badly out of favour with the business community, now uses this rather large carrot to try to get back some good will unto itself. I do not know whether or not this will work.

I think business invests productively when it believes a market exists for more goods. Can any businessman believe that the reaping of advantages to himself and his shareholders is really going to accomplish that purpose, or does he not look to his traditional customers, the public who buy, and ask: what is the budget doing to put more money in their pockets, more money which can be used to buy the goods of business? I think the government has used the wrong approach, and in doing so has made a monumental gaffe. Business would expand its activities if it had confidence in the future. And when the economy is stimulated by adequate consumer demand, job producing economic expansion is assured.

Some points can be made about the introduction of the new class of capital cost allowances. This entitles a taxpayer to claim as depreciation up to 50 per cent of the cost of an asset in the year it was purchased or acquired, and the unclaimed balance in any year following. This is for machinery and equipment to be used for the purpose of manufacturing. There are five criticisms that should be noted in regard to this measure in the budget. First, the machinery may in fact replace present workers. If the aim of the budget is to create more jobs, then this is certainly self-defeating. Second, the machinery may have a high non-Canadian labour content. Third, the machinery may displace less skilled operators who are particularly susceptible to prolonged periods of unemployment. Fourth, the form of the incentive does nothing to favour the disadvantaged regions, and in those disadvantaged regions we have pockets of very high unemployment. Fifth, the employment effects of tax incentives for business are slow to appear in comparison with the effects of a comparable personal or sales tax reduction.

I suggest that corporate income tax cuts do not provide investment and employment stimulus for firms without profits. That is rather obvious. If you do not have money to invest and you are in difficulties, then anything done for your wealthy cousin down the street will not help you a bit, but may increase your misery, (a) by making you feel envious, and, (b) by increasing his competitive advantage over you. Corporate tax cuts provide no reliable stimulus to expand jobs and investment unless the recipient corporations are assured of expanding markets. The tax cuts do not even provide indirect stimulus to such labour intensive sectors as service industries and construction.

Also even assuming for the moment that the government's proposals increase investment, it must be recognized—and this is certainly being well scouted in one of the standing committees at present—that 40 per cent to 50 per cent of all investment goods are imported from the United States. Therefore one half of the effect of the government's policies will be felt in the United States. Therefore, by a curiosity, these measures may do more to stimulate the American economy than they will do for ours. I think this point should be made with regard to the long-range effects of this particular proposal in the minister's budget, that accelerated write-offs for capital equipment purchases lower the price of capital equipment relative to the price of labour. This has the economic effect of encouraging firms to substitute labour for capital in the production process. That sounds good on the face of it because it can cause a little output and employment to increase, but in the long run such a policy will result in a more capital intensive manufacturing sector. The swing will go the other way. The government may be buying a few jobs at present at the expense of even higher and more stubborn unemployment in the future.

I would like to suggest a few things that should have been in the budget, and that my colleagues and I would have liked to see in it. The report of the Carter Royal Commission on Taxation makes the point as well as anybody, and this after very considerable study, about changes in the personal income tax. I quote from volume 2, chapter 3 of that report as follows:

The impact of a change in personal income tax upon the take-home pay of workers is quick. Across-the-board changes in personal income tax rates provide the most effective single tax instrument for changing aggregate demand to achieve full employment

and price stability. Changes in corporate income tax rates and in sales tax rates are much less useful.

• (1510)

In all the studies that the Carter Commission made into the subject of stimulating the economy through the process of tax changes, they made the very strong point that it was the reduction of the income tax of the wage earner of Canada that was the quickest way of putting money into the pocket of the worker and thus into the economy. That, of course, is the quickest way of enabling more people to buy goods made in Canada which in turn increases our productivity and ultimately the well-being of all citizens. So I suggest, Mr. Speaker, that the most serious indictment that can be levelled against the minister, and against the government of which he is an adornment, is that the wrong course has been taken with regard to the measures needed to stimulate the economy and to get us closer to the potential that the Economic Council of Canada suggests for us.

There are other methods that could have found their way into the budget, Mr. Speaker. There could have been employment support assistance for labour intensive industries; investment tax credits for manufacturing, processing and service industries; guaranteed low-interest loans for export firms severely affected by DISC and, in concert with other nations, countervailing tariffs on DISC's. Measures could have been taken with regard to housing programs and in a moment I shall deal with the announcement of the Minister of State for Urban Affairs (Mr. Basford) in that regard.

For long-range measures to strengthen the economy, there should have been a reformation of tax revenue sharing to reduce the present burden on the provinces and municipalities. As suggested by the Leader of the Opposition (Mr. Stanfield) in a recent speech made in Toronto, there could be a new formula applied to the taxation system. This formula has been the subject of some lively discussions. As I have said, there should be a taxation system which does not make a bonanza of inflation but which gives the government the incentive to do what it can with the powers of taxation.

There should be measures to reduce the present levels of sales tax on consumer goods primarily produced in Canada. There should be a reorganization of legislation and monetary policy to ensure that Canada has a capital policy which provides easier money and access to more venture capital for Canadian entrepreneurs. What we are doing is erecting barricades when there should be some method by which Canadians could take greater pride in investing money in their own country. There should be acts to provide low-interest loans for housing and we should use full employment budgeting techniques to provide a more realistic and honest basis for assessing the expansionary or deflationary impact of federal budgets on the Canadian economy.

Yesterday, in a burst of optimism, the Minister of State for Urban Affairs (Mr. Basford) brought in his version of the stone tablets containing the changes to the National Housing Act. A massive document was brought in at this stage of the parliamentary session and I am sure nobody in this Chamber, with the exception of the minister, could believe that this would be part of the law of the land by summertime.

There are some new techniques in the measures suggested by the hon. gentleman but if we are to do our job adequately, four or five of the important proposals should be examined closely and not simply taken at face value. This kind of legislation should have been presented to us some considerable time ago. According to a report on the CBC this morning by a correspondent of the *Globe and Mail*, this legislation was ready in January or February when the present Minister of Consumer and Corporate Affairs (Mr. Andras) had conduct of this strange Department of Urban Affairs. If that report is correct, then we are being treated to flim-flammery, a sort of public relations exercise by which the minister hopes a lot of people in run-down neighbourhoods are going to be aroused. I would like to think that this housing legislation would be in effect by July 1. I think it would be a real lifesaver in many parts of Canada and I could see it operating usefully within my own community. But the way it is being brought in is like offering a person a full-course meal with no time to tackle it, only having time to gulp down hot dogs and root beer.

I should like to make the following comment on the proposals advanced by the minister. A few days ago when taking part in the housing debate, I mentioned the effect that the removal of sales tax on building materials could have on the cost of homes. Calculating it by the process of amortization, for approximately every $1,000 saved that way, like $3,000 or $4,000 is saved in long-range interest and carrying charges. That is a significant saving but even more pertinent is the suggestion that by cutting the cost of homes by as much as $1,000 or $1,500, more housing is put within the reach of those who at the moment cannot quite achieve that goal.

If we look upon more housing for low-income people as a desirable social goal, and I think every member in this House shares that view, then the way to achieve it is to ensure that housing costs less. I know there are some who say that if we tackle the cost of land this will be the result, but I am a little pessimistic about that, Mr. Speaker. Land has a habit of appreciating in value. If some speculative elements are eliminated, then it might be possible to hold down the cost of land a little but in the end I do not think land cost makes much difference. If we had to tackle the land cost problem, I think we would not do it through the land bank assembly plan but rather impose taxes on land that is held in order to make it unprofitable over a long period. I will not elaborate on that at the present time, but rather will explore it if, as and when this legislation gets into committee.

If we really wanted to tackle land costs, it would be a matter of getting the land serviced early so that it would be suitable for building, rather than serviced late so that it would stand idle, incurring taxes and bank charges. On the outskirts of cities such as Toronto, the value of land that is idle is rocketing sky high. I am sorry that the Minister of Finance could not have brought in a measure to repeal the sales tax on building materials so that we could have made one positive gesture towards bringing home costs within the reach of the tens of thousands of

Canadians who are now almost able to reach the goal of having their own home, but not quite able to close the gap.

• (1520)

May I comment on the proposals the minister made yesterday. The rehabilitation of some old neighbourhoods, as a substitute for urban renewal, commends itself to me and I support the idea, though only up to a point. I do not think the minister should altogether cut out urban renewal because, in some cases, it is needed. Urban renewal projects in some parts of Canada, and I am thinking particularly of one in downtown Halifax, are proving their value. Nevertheless, I think communities should be given the option of choosing whether they want to rehabilitate old neighbourhoods, or say, "This neighbourhood is beyond recall; all the carpenters, plumbers and workmen in the world cannot bring these buildings up to modern standards. This neighbourhood is simply not good enough and it must be renewed." On the other hand, there are places where the concept of urban renewal has been used, I think quite wrongly.

I remember between 1963 and 1965 searching titles and taking part in property transactions that involved older homes in Halifax. They were to be levelled to make way for large apartment buildings. This was a matter of expropriation and involved the building of public housing. I know that the provision of public housing was beneficial for some. However, it irked me, on looking at the title of a home that had been built 75 years ago and that was still a perfectly sound property, although perhaps in need of improving by the use of home improvement loans of a sort different from those we now grant, to find it was to be torn down. True, it was in a neighbourhood somewhat run down, but quite liveable. I was annoyed to think of those families that were to be uprooted and sent packing, that houses costing between $15,000 and $20,000 were to be torn down to make way for the construction of apartment buildings.

In the name of public housing, we were committing several crimes. We were committing the economic crime of putting people into apartments that we expected would cost up to $30,000 each, and that cost could never be recovered; we were committing the crime of removing homeowners—I guess I have a prejudice towards home ownership—and dislocating them from their neighbourhood. Actually, I know of people who sat with a shotgun on their knees waiting for the approach of the bulldozer. If the bulldozer had made an early appearance outside their door, I am sure the matter would have ended in the criminal courts. After a little persuasion and the granting of a little extra money, these people were induced to move away and these crises passed.

I was offended because our urban renewal programs then were so terribly sweeping and did about as much harm as good. Now, there is a danger that the pendulum may swing completely the other way; we may consider rehabilitating those parts of cities that ought to be cleared away. Understandably, there is no provision in this measure for dealing with commercial rehabilitation; therefore, I shall put in another blow for some of my favourite characters, the mammas and papas of this country who run small businesses. There ought to be no qualms about rehabilitating some of these small family businesses. I see nothing wrong with that in principle. If people do not want to work downtown in some big factory, in a large crowd, they should be given the chance to run their own lives and run their own small businesses.

I ought to note for the record several of the points made on this subject by the newly elected president of the Canadian Federation of Mayors and Municipalities, Desmond Newman. He said that the minister's proposals may not be of advantage to some municipalities, because the municipalities do not have any extra money with which to operate. Some of those difficulties may be cleared up at the tri-level government conference scheduled for November. He suggests that the municipalities would like to get in on the ground floor, while these matters are being talked about and considered, before changes are made. He also makes the same point about the lack of policy relating to commercial rehabilitation that I have just made.

Then, also, he says, significantly, that there is still a gap between what an elderly couple may receive under government programs and the minimum they require if they are to own a home. I think in this area there is a serious defect in the legislation and I hope the minister, if he is to deal with this matter before the end of June, will consider it seriously. The right of our elderly people is a right for which we shall fight. I do not see why an elderly couple cannot enjoy the right to home ownership just as younger people do.

I wish to make a final point; I see that only two minutes of my time remain. Perhaps, I will not deal with it now but will deal with it when the labour bill is considered later. I think the government should take steps that will give Canadians the opportunity for greater participation in the offshore mineral and oil search, and particularly that search taking place off the coast of Atlantic Canada. Perhaps measures could be enacted dealing with work permits. I have already been in correspondence with the director general in the Atlantic region in this regard; he may be able to act on the matter so that I may be able to achieve my aim without making this a public issue. I think there ought to be more opportunities for Canadian people to participate in the offshore oil and mineral exploration process.

When the opportunity arises later, in the present session, I want to take a look at the British Commonwealth Maritime Shipping Agreement. I think it is shameful that governments, past and present, have not brought that agreement up to date, because now Commonwealth ships from other countries operating in Canadian coastal waters are not required to pay Canadian wage rates or Canadian unemployment insurance and are not required to give their seamen the benefits which flow from Canadian legislation. Once that measure has been brought up to date, it will mean that more Canadian seamen will be engaged in that coastal trade. I have not the time to elaborate on this now, although I want to do so in future.

My main point now is this: I do not think the budgetary measures of the Minister of Finance are adequate and we shall show our displeasure with them when the vote is called this evening.

Mr. Baldwin: On a point of order, Mr. Speaker, there has been some discussion among members of the House with regard to the furtherance of this debate. Since there are still many members who wish to speak in the time available, it has been suggested that hon. members might agree to a limitation which would curtail speeches to 20 minutes. Some hon. members are prepared to agree to this suggestion, although they prepared fairly lengthy speeches. I think they would be prepared to make this sacrifice if the agreement were to be extended to other hon. members.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

• (1530)

[*Translation*]

Mr. Guy LeBlanc (Rimouski): Mr. Speaker, I am happy to have this opportunity to comment in my name and especially in the name of my electors of the constituency of Rimouski, on the budget presented on Monday, May 8 last by the hon. Minister of Finance (Mr. Turner).

I wish to congratulate once more the hon. minister.

No doubt most of my fellow-citizens, from the constituency of Rimouski as well as from eastern Quebec, share my view in this respect.

That budget comes under the Liberal party's program announced since 1968 and is entirely consistent with the central theme of the throne speeches and budgets we have had since then. There is in all that a sense of unity, wisdom and drive of which we are proud. Political beliefs have proved correct and the hopes of the Canadian people have not been shattered.

That budget is being examined by the House and the hon. minister has undoubtedly foreseen that it would be a butt for criticism. Such criticism should be constructive in order to ensure progress in this country. Negative criticism—we all know that—has never been useful. The critical faculty should be developed not the spirit of criticism. That may be the difference between an ideal and utopia.

It is obvious that in his speech, the hon. minister tried to show that we should first stimulate the Canadian economy while supporting at the same time efforts on the part of industry, in order to progress in the midst of competition and create employment. Thus we see that the government can reach its goal which is to encourage the dynamic role of our human, active and business generating capital. It wants to encourage the militants, the creative people, through incentives to free enterprise.

Secondly, we can see that the government, despite criticism from the opposition, shows a serious concern for social justice, in keeping with the purest democratic tradition. We have only to consider the announcement of measures designed to boost the income of those who suffer the most from increased prices and the high cost of living.

That is evidence that the government recognizes the value of men and the usefulness of some groups of citizens who might be said inactive, if considered in a certain light, on account of their age, their state of health and the length of their training for a career. Those citizens, whether disabled veterans or blind people, could be called upon to take part in the evolution of society. Even the aged could keep up with the adventure of life, share in Canada's progress and look toward an ever better future.

Spreading out our economic forces and assuring the poor of a more adequate income, such is the immediate or middle term goal. Therefore, this budget can be called a growth or expansion budget.

In 1972-73, economic growth can only result from this budget. Such growth should be felt at two levels; first, supply being what it is, an increased demand should result from the fiscal and social benefits being granted to various groups of citizens. Secondly, no doubt the benefits resulting from growth should have some repercussions in the industrial sector.

In fact, the minister told us of some new advantages related to write offs and tax abatements which can but profit manufacturers. This might encourage people to invest in the industrial sector and thereby improve our industrial situation and increase employment opportunities.

Some opposition members will certainly suggest, as they have already done, that nothing has been done to relieve the burden of the average taxpayers. I think that indirectly—and the impact will be as good as direct aid but more normal in a free society—the average taxpayer, who does not seem to be encouraged or protected, will benefit by increased demand. Increased demand can but improve the situation of merchants, small industrialists, small shopkeepers, gas station owners, etc. Generally increased demand stimulates economic activities.

I saw a case in point in my region recently where three local initiative projects have been approved and completed. These projects involved a low-income region of the Lower St. Lawrence. Even though those who benefited by it indirectly do not like to boast about in public, it remains that following confidential or private information I was told that during the implementation of these projects the small merchants, the small grocers, and the gas station owners noticed the effects of an added injection of money during the winter. These local initiatives projects did their business a lot of good even though they were not directly involved.

If I did not misunderstand the criticisms voiced earlier by the hon. member for Halifax-East Hants (Mr. McCleave), he said that the tax reductions granted to companies only increase their profits, do very little to improve the well-being of the average taxpayers, do not create employment, etc.

And yet I have met this morning one of my friends, president and sole owner of an average industry employing almost 250 skilled workers, and he told me that a few days after the budget speech he bought $80,000 worth of equipment. In the next two years, he can reap the benefits of depreciation and tax rebate. He foresees for next year a $20,000 tax saving and he intends to reinvest this amount in his company. This means therefore that his industry and working conditions will improve, his production increase and that he will provide jobs for more than 250 people in Rimouski, the town where I live.

It seems therefore that the provisions concerning the corporate tax rebate and the benefits regarding depreciation will be to everyone's advantage.

If we consider also the second area where the effects of the expected growth will be felt, that is to say the very precious group formed by average Canadian taxpayers, we can assume that it is going to be encouraged. Thanks to the forecast investments and to a rational control of employment level, the pulse of the economy indicates a normal trend. And as the increase in demand can be an element of progress and well-being for average Canadians, such also could be the effects of investments on industry.

Therefore, it can be stated that not only pensioners, invalids, veterans, citizens with fixed income, secondary and consumer industries will benefit from this budget, but also average Canadians. The same as when a serum injected in one limb benefits the whole body, those two advantages that are granted to industries and those Canadians unable to face the rising cost of living will benefit Canadian society as a whole.

It is probably true to say that since 1968 the government has had to wage a severe battle against inflation and the emphasis it has now put on growth will re-awaken the inflationary trend, but this battle was necessary. We are told that other countries, including the United States, have had to wage the same fight. Everyone knows that the fight against inflation was predicted with candour and sincerity in a program which was not a compendium of wonderful and gilt-edged promises.

• (1540)

Important people from foreign countries state that, among all industrialized countries, Canada has had the greatest success in its fight against inflation.

As a matter of fact, in accordance with its commitments, the government has endeavoured to correct various traditional weaknesses of our economy that are due to the rapid changes that are taking place in this, the electronic age. Apart from fighting inflation, the government has tried to lighten the tax-load of low-income people and has implemented a degree of tax reform. This firmness, for which some have criticized the government, was simply a realistic and true expression of the power and the authority that have been bestowed on the government by the Canadian people.

The men who make up the present cabinet are undoubtedly the most qualified and consequently the most worthy of confidence and they have all the ability required to administer Canadian affairs for many more years to come. The cabinet is surely the best director general of Canadian affairs.

We believe that the government is doing its best to carry out its program and to achieve the human ideal of all Canadians, an ideal of liberty and civilization.

However, everyone knows that there is some room for improvement and that there always will be. With each step forward, new horizons appear.

We know that since it came to power, the Liberal government has always paid a great deal of attention to those aspects of Canadian policy which need to be improved constantly to allow for better implementation of such policy.

Following the budget speech, we know that the government wants to, and does, improve the fate of senior citizens. Some of our elderly constituents in the province of Quebec often come to tell us about their problems. For instance, the man who is over 65 years of age and who used to receive $135 or $137 a month will now get $150, which is at last a good increase. But it happen that his wife, who is under 65 and whose situation is under the jurisdiction of the Quebec government, receives almost nothing. There is a difference in being only 60 to 65 years of age, but from a social standpoint, I cannot see any real difference between those people and those who are 65 or over. The wife's situation comes under provincial legislation and regulations, but we hope that this problem can be solved in the near future—if necessary, in a joint effort by the federal and the Quebec governments.

Also, I cannot help but congratulate the government for its new policy on Initiatives which has already been in effect for the past two years and is designed to provide an incentive to work. The Opportunities for Youth and Local Initiatives programs are already in existence. An Opportunities for Age program has been mentioned some time ago. Following a report presented several weeks ago, there has been talk of an Opportunities for Citizens program. Maybe the government could consider grouping all those programs under a single structure which could be called Citizens' Initiatives or, possibly better, Opportunies for Citizens, and would be administered by a single department.

Experience acquired in the implementation of these projects has led to some soul-searching and to the realization that the government, more than ever, should concentrate on selecting competent administrators for these programs. It might also be suitable to decentralize analyses of projects and resorting at the area, sub-area and sector levels to various social agencies and contacting municipalities which have already submitted projects in the same fields, in order to avoid duplication.

It might be well to consider reducing slightly the number of projects with social and cultural aspects—in themself excellent and highly commendable—to some 10 to 15 per cent.

Young people should be involved in Opportunities for Youth programs allowing them to carry out projects with some relationship to industry, commerce, general economy, applied sciences, trades or crafts, without conflicting with free enterprise, in order to accustom them to becoming increasingly realistic and keep both feet on the ground, as the saying goes.

In my opinion, this would benefit a lot our country and such regions as that of the Lower St. Lawrence and Gaspé, where I live, and about which the Canadian government has made special agreements; we are all pleased to co-operate and to take full advantage of them for the good of the whole people of Canada.

Mr. Speaker, I wish I could make many more remarks about these aspects of the federal policy which concern my fellow citizens: regional development, unemployment insurance, agricultural policy, in particular with regard to

feed grains, which eastern Canada enjoys. Considering the agreement we reached twenty minutes ago, I hope I shall have another opportunity of dealing again with these matters.

[*English*]

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, yesterday the Minister of Supply and Services (Mr. Richardson) spoke in this House and indicated that purchases by his department would be spread around Canada rather than all of them being made in central Canada. I am not saying that all government purchases should be made in the Maritimes or the Prairies or in British Columbia, but since the people in those regions are taxpayers, and since the minister is spending public money, the policy the minister referred to is a logical one, and I wish to compliment the hon. gentleman on his announced intention. I feel that our business people have as much right to bid on this kind of business as do businessmen in Ontario and Quebec. I am not knocking the businessman of Ontario and Quebec when I say that; I merely wish to compliment the Minister of Supply and Services. The minister's new department has roughly $1 billion purchasing power, so I suggest that quite a bit of thought and care must be exercised. For example, his department has decided to buy salt from the United States, and as the representative of an area of Saskatchewan that has a salt mine I am not very happy with this decision. I have been protesting vigorously to the minister. The effect on local people of financial decisions made by the government is not always appreciated.

• (1550)

I cannot understand why the Minister of Finance did not think a little more about the farmers when he made these adjustments in his budget. I was a farmer before coming here and my equipment depreciated every year by several thousand dollars. If the minister thinks that farmers make a contribution to our economy, then he might consider giving them a 50 per cent depreciation rate on some of their equipment. This, to my knowledge, he has not done. Businessmen would also appreciate the benefits that would flow from such an adjustment.

I think we should also consider the position of some of our processors. The other day the hon. member for Fraser Valley East (Mr. Pringle) complimented the government for making the same concession to processors of farm products as it made to some other industries, and I am wondering whether the Minister of Finance would take another look at the farming industry with that point in mind. Perhaps the conception of farming held by Ottawa is a little removed from what it really is. Certainly, farming in my part of the world is quite industrialized. It is a cash basis operation; this is no longer subsistence agriculture. Farming is an industrial process and the farmers must realize an adequate income. They charge depreciation against their machinery and in most cases keep books. It is quite a commercial operation and I should like to think the Minister of Finance considers it as such.

I should like also to talk about one or two other things that have happened recently in relation to the Canadian economy. I refer specifically to the 2,000 boxcars ordered by the government. So far, there has been no decision on who is going to pay for them, or by what method. I did notice that they are not provided for in the estimates.

I noticed, too, that the cost of improvements to the port of Prince Rupert does not appear in the estimates, either. If some announcement regarding grain storage is going to be made shortly, or there are some improvements to be made to the rail line to the west coast, then I cannot help but wonder whether these will be another example of the ad hoc planning of this government, particularly before election time. I do not think that this sort of planning is good for the country. The growth in trade to Asian rim countries has been fairly steady and consistent for some little time, so the government should have been taking steps to handle this trade over the years rather than waiting for an emergency and doing something in a crisis situation. It is said that politicians react to situations rather than act in advance, and I must say that it appears to me this is the way the government is acting. There is too much ad hoc planning.

I should like also to comment on the present value of the Canadian dollar which has an effect on trade in my area. The Canadian dollar has been rising to $1.02 or $1.03 U.S., which means that the price of wheat will be affected since it is priced on the basis of the U.S. dollar. Every time the dollar goes up in value, it means that the problems of the people in my area increase. I asked the minister, the hon. member for Calgary South (Mr. Mahoney), how far the government was willing to go in backing the Canadian dollar, but he said he did not know. I should like to ask the Minister of Finance at this time how high he is going to let the Canadian dollar rise in value compared with the U.S. dollar before he will take some action. This is a question about which we are all concerned.

I also asked the hon. member for Calgary South whether any planning was being done in case the Canadian dollar reached too high a point, and he told me, "no". If the Minister of Finance cares to look at the minutes of the committee he will find that is on the record. If the minister has any plans in case the value of the Canadian dollar goes too high, he has certainly not disclosed them to us. Again, I am afraid an ad hoc decision will be made without any advance thinking being done; perhaps this will be for the best and perhaps not.

I should like to talk for a few moments about the economic development of western Canada. I do not want to be parochial because I should like to see economic development in all of Canada, but I feel more at home when talking about development in my home area. It seems to me that if we are to encourage industry to expand, we should either have a market that is already there or will be there, and we should produce a product for which there is a ready sale at hand. I am not suggesting that grain or beef or any other product that we are selling abroad are not important; rather, I am thinking of new industries. There are products that are in good local supply and these could satisfy either the local or a foreign market.

I am not absolving the provincial governments or local businesses from any responsibility in this connection, but I do want to talk about federal involvement in such developments, as I see it. I want to speak specifically about the oil industry and pipelines that will be built from northern

Canada to southern Canada and the United States. I attended an oil show recently in Calgary and saw a sample piece of 48-inch pipe that was made in Regina. I was told that this was the only pipe company in Canada that made pipe that large. There was also a 48-inch valve to fit the said pipe, and this particular one was made in Alberta, a complicated but excellent product. The man who demonstrated it to me was quite proud of the fact that it was a locally produced product.

I also saw some samples of track-truck machinery and other equipment that works well in northern Canada, some of which we have managed to sell to Russia. However, I should like to talk specifically about pipe for the moment because it is produced in my own province and we will need a lot of it in the immediate future. Eventually, there will be gas and oil pipelines down through the Mackenzie valley. It was recently announced that the Minister of Indian Affairs and Northern Development (Mr. Chrétien) was going to have a survey made this summer of a possible gas pipeline route either east or west of Hudson Bay. We are talking in the order of a million tons of pipe when we talk of a pipeline along the Mackenzie valley. That is a lot of pipe. I should like to see Canadian business, including steel firms and other suppliers, put in a position to take advantage of this particular item. Had the government shown some ability to plan for the future in respect of transportation to the west coast, I would feel easier about it also doing something in this connection. This is why I am quite concerned that we look ahead. To make sure business in Canada will continue to supply jobs and provide economic activity, it should be in a position to take advantage of any natural development as a result of pipeline construction.

• (1600)

We have had too much ad hoc planning in the past. Let us not have more in the future. Let us look ahead. The federal government should give some direction to provincial governments in this regard, and it should give direction to business. It seems to me the government is not taking an over-all look at the problem, particularly when one considers that the market for oil and gas is to be found to a large extent in southern Canada and in the United States, while oil fields are in northern Canada. These prospective pipelines will have to cross several territories, provinces and states as well, and it is only reasonable to assume that responsibility for them will lie with the federal government. It is logical to assume that any province or individual business would be in a difficult position in attempting to assess what this project would mean to us.

A source of iron ore on the Prairies would be of great advantage to the economic development of that part of the country. We have a source of iron ore in northern Saskatchewan, although I am not prepared to suggest it is an economic source. I am not in a position to say, and no one else seems to know. The federal government should assume some responsibility for the development of a product to serve a market which already exists. I do not think this is being done. In fact, iron could be supplied to a steel industry on the Prairies and perhaps the west coast as well.

[Mr. Thomson.]

In addition to the development of pipeline services, there are a lot of other services that tend to grow as a result of the establishment of a steel industry. This development of a local steel industry would have a multiplier effect in western Canada. This has been the case in the past. When western Canada has money, it usually ends up with the manufacturing industries here in eastern Canada. This is one country, and when we do well in one part this tends to be reflected throughout the rest of the country as well.

I suggest we should do something along these lines in connection with pipelines because a great deal of time is required before an industry is capable of supplying pipe or anything else in volume. We are not going to build these pipelines all at once. We should look far enough ahead that we will be in a position to accept part of the order for pipe or other things that will be needed in the future. Let us not be in the position of having to import these items from Japan, the United Kingdom or Europe. Regina is not very many miles from Hudson Bay via the Churchill railroad, and it could be in a position to supply pipe to a great part of northern Canada. I can envisage that even a prairie industry would have a chance to compete on a local basis.

I have not kept track of my time, Mr. Speaker, but I presume you will call me to order in due course. I should like now to talk for a moment about scientific research in Canada. Scientific research is very important to the industrial development of Canada. I have suggested to the Minister of State for Science and Technology (Mr. Gillespie) that if we are to develop an industrial strategy we should make a selection of logical products for development here. I have also mentioned the steel industry with a pipeline industry as a satellite. The minister should make representations to the government in respect of things of this kind. It does not seem reasonable that we rush madly all over the place giving grants for research in all areas. Of necessity, much of the future development of Canada must be related to cold weather. The minister should be prepared to recommend expenditures in respect of obvious things, such as the development of rubber to withstand the cold, and steel that does not crystallize with frost. Surely a battery could be developed that would work better in cold weather. These are just examples of things which should be considered. I have experienced problems in respect of these items.

It would seem reasonable to spend money on the development of better products for use in cold weather. I have made this suggestion before and will continue to do so until such time as some obvious move is made in that direction. We need these things for our own use. A cat-truck has been developed in Canada and actually sold to Russia. The skidoo was developed in Quebec. This is another winter vehicle which has enjoyed great sales in the United States and has helped tremendously with our dollar surplus. These are only examples of things that can be developed, instead of spending a lot of money developing products warm weather countries have already developed. We should concentrate our research expenditure on problems which have not yet been solved. It seems reasonable that we should at least look at these problems.

Industrial strategy should be related to research efforts in the scientific field, because much of our development in the 20th century has depended on scientific research. If the government has not yet done so, it should establish a committee to study these problems and make firm recommendations as to those areas of manufacturing in this country on which we should concentrate our research. Logically we are not going to compete with countries which produce cotton cheaply. We should concentrate on those things which have a natural advantage here. A university professor in Saskatchewan said to me that we should spend more money on research in the area of wood products because of our natural source of supply. I suggest the government should look very carefully in this direction.

Mr. Walter Deakon (High Park-Humber Valley): Mr. Speaker, in taking part in this budget debate I should first like to congratulate the Minister of Finance (Mr. Turner) on the presentation of his first budget. I had the privilege of a close association with the minister during his tenure of office as Minister of Justice. During that time he did an outstanding job, had the respect of all and was held in high esteem by members of all parties on the Committee on Justice and Legal Affairs. I wish the minister well in his new responsibilities, and I am confident he will continue his good work in his new portfolio.

During the time allotted me I should like to express some of my views on various matters, most of which have been discussed in the House but many of which were brought to my attention by constituents in the riding of High Park-Humber Valley. Knowing the congenial nature of the hon. minister, I trust he will give at least some of them consideration.

• (1610)

I was indeed pleased that the new budget escalated the universal old age pension in step with the cost of living changes, retroactive to January 1, 1972, and also provided an increase in the guaranteed income supplement by $15 per month, thereby raising the old age security pension for those in need from $135 to $150 for single persons and from $255 to $285 for a married couple, also retroactive to January 1, 1972. These increases were long overdue, and although I still feel more can be done to alleviate the hardships suffered by some of our elderly citizens, nevertheless it is a step in the right direction. These increases, coupled with the special tax exemption for persons 65 and over as well as the increase in exemptions for the blind and the disabled to $1,000 from $650 retroactive to January 1, 1972, will indeed be welcomed by our senior citizens.

There are, however, some other situations to which I hope the minister will give consideration. One is the situation of a husband who is physically infirm and obtaining an old age pension while his younger wife is not and, because of the disability of the husband, the wife has to look after him so, is unable to work. Unless the couple have some savings, this situation creates undue hardship on the family unit and deserves further consideration. Consideration should also be given to those on old age pensions who have saved and skimped in their younger years, denying themselves some of the better things in life in order to secure protection for their later years. Often they have purchased a home and have been paying constantly increasing realty taxes. I would recommend for them that at least that portion of realty taxes allotted for educational purposes, which is the greater part of the taxes, should be permitted as a deduction from their income tax return.

Since unemployment is still our number one issue, I was happy to note that in the budget we cut corporation taxes to 40 per cent for Canadian manufacturers and processors, to be effective January 1973. The tax rate is also reduced to 20 per cent from 25 per cent on the income of manufacturers and processors eligible for small business incentive, to be effective from January, 1973. These are indeed welcome measures, but in view of the fact its effective starting date is January, 1973, corporations that are tempted by the tax cuts to expand their operations will probably not do so this year, while still others may resist the temptation, preferring to use the tax cuts to increase the dividends to their shareholders. Steps should be taken by the government to ensure that these tax cuts are employed for the purposes for which they were intended, namely the creation of jobs. The government should apply the budget's provision for a two year write-off on the total cost of machinery and equipment to 125 per cent or 140 per cent of the cost of new capital equipment, so firms will go out and purchase machinery and equipment and put people to work now.

The government's announced increase in public spending on housing is also a welcome measure and should assist, not only in providing accommodation but also in providing employment. It is regrettable that although the money supply in Canada has gone up by 78 per cent since 1970, and last year new funds grew by $16.5 billion, so the country appears to be prosperous, nevertheless we have failed to reduce significantly the ranks of the unemployed and appear to have created an illusion of economic revival.

In this budget, we have endeavoured to help the elderly citizens and lower income groups as well as large corporations and small businesses, but regrettably we have neglected that group which pays the bulk of the income and property taxes, the ones who are supporting the economy through their purchases of homes, cars and appliances, and yet are constantly neglected and ignored. I refer to the middle income group. They pay the high cost of the educational system and, in essence, subsidize the education of the children of the poor and wealthy alike. However, their children do not qualify for student loans or grants. They work hard all their lives and subsidize those who will not work. They skimp and save to provide security in days of illness and retirement, and at the same time subsidize others who will not provide for themselves. They pay for the high cost of police supervision at demonstrations, rock festivals and for the protection of dignitaries, yet when they get into trouble with the law they receive no legal aid but have to pay their own lawyer's fees. Indeed, in some cases their opponents in court are represented by legal aid lawyers whose fees they are paying. It is this group which has been ignored too long by all levels of government, and it is they who are now entitled to serious consideration. Even when nations compete in offering tax breaks to business, the middle income

taxpayer gets it in the neck. The less you collect from corporations because of these tax breaks, the more you are going to take directly from this group.

I recommend that the minister seriously consider increasing the basic tax exemptions to $2,000 for single persons and $3,850 for married couples. I would also recommend that realty taxes up to $750 be deductible from income tax, together with interest paid on mortgage loans. In essence, this is double taxation and is repressive. In the case of interest on mortgage loans, the tax system is ridiculous. If I sell my home and, I am unable to obtain the full sale price in cash so take back a mortgage, I am required to declare all interest which I obtain on the mortgage as income. However, if I purchase a home to provide accommodation for myself and my family and give back a mortgage, I am not entitled to deduct the interest paid on that mortgage as an expense. I submit that these further tax concessions, by placing more funds in the hands of the consumer, would be an added stimulus to the economy.

I am glad to learn that our government, unlike the government of the United States, encourages the awareness of ethnic backgrounds. I trust that this is only a secondary aim, and that the main aim is to make us all good Canadians. I trust that our policy on multiculturism is indeed a genuine one and will not create national ghettos in this country which would be examples of old world rigidities. Whatever may be our national origin it is in our best interest not to divide but rather to draw together, remaining proud of our country of origin but also striving toward an integrated, united nation in which the aspirations and values which bind us are far more important than the things that divide us.

In the field of immigration, it was indeed refreshing to note that the Minister of Manpower and Immigration (Mr. Mackasey) has decided to increase the number of special inquiry officers needed to process the backlog of immigration cases. Occurrences such as the recent suicide of a young Polish woman wishing to obtain landed immigrant status illustrate the genuine need for immigration reform. Immigration officials cannot be blamed for all these pitfalls, and I personally can state that in dealing with the large number of immigration cases brought to my attention I have had the fullest co-operation of the officials of the Immigration Department. The fault lies mainly with our immigration laws. In this regard I should like also to bring to the attention of the law societies of the various provinces the fact that numerous notaries—I am not referring to the Quebec situation here—and travel agents are holding themselves out as immigration experts and milking large sums of money from these unfortunate immigrants, while at the same time providing incorrect or inadequate advice. This practice must be stopped.

At this time I am also pleased to state that as a result of the Prime Minister's (Mr. Trudeau) visit to the U.S.S.R. last year, and of representations made during and after the visit, I have been successful in reuniting a great number of families whose members previously resided in countries such as Czechoslovakia, Poland, Lithuania, Estonia, Latvia and the Ukraine.

Some hon. Members: Hear, hear!

[Mr. Deakon.]

Mr. Deakon: In some cases these families have been separated for more than 30 years. I am still continuing my efforts in this field, as well as carrying on negotiations for visitors' visas and the release of political prisoners presently imprisoned in the Soviet Union.

I submit further that amendments to the Citizenship Act are long overdue. There are presently gross injustices in the act preventing many residents in Canada who wish to obtain Canadian citizenship from obtaining it. The age and residence requirements should also be revised.

• (1620)

In view of the leading role of Canada at the environmental conference in Stockholm, may I recommend to the Minister of the Environment (Mr. Davis) that he take whatever measures are deemed necessary, in conjunction with the province of Ontario, to curtail and ultimately eliminate the pollution in the Humber River, which flows through the riding of High Park-Humber Valley into Lake Ontario, a navigable waterway.

In conclusion, Mr. Speaker, may I state that I really appreciated this opportunity to express some of my thoughts, and regardless of the criticisms, which I hope were constructive, I reiterate what I have said on many other occasions, that this land of ours, Canada, is the greatest country in the world. To realize and appreciate this one need only travel abroad, and on returning one will kiss the ground he walks on.

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, first I should like to congratulate the minister for having remained in the House during the whole debate.

I wish to take the opportunity of this last day of the budget debate to deal with three matters which are very controversial in my riding and which remain one of the causes for the general displeasure showed by all of my constituents toward the administration of the present government.

I should like to call the government's attention, and in particular the minister's attention to the ever increasing problems in the area of unemployment insurance, particularly since November 1971.

When we had offices in every large community, we also had some problems, notably that of being unable to gather all the stamps of a worker who had had several jobs during the previous 104 weeks. Nevertheless, we had preserved the human contact, which is essential to any civilized society. But it seems that today, we have so much emphasized centralization that we have completely lost this human contact, and this is the most serious aspect of the problem.

They were able in my constituency to recover the services of two people who come to the offices in Dolbeau and Roberval for a few hours each week, but this is only window dressing. In fact, the problem is as serious as it ever was and it is the member of Parliament who has to act as a go-between in serious cases, which are numerous, since I have myself dealt with more than 1,000 cases since the beginning of this year. Fortunately, I get the co-operation of the whole staff in Chicoutimi, which makes every effort to give the best service possible.

But the final settlement does not rest with the staff in Chicoutimi. The Montreal office which has the computer covering the whole province of Quebec is responsible for 95 per cent of all the problems that we have to face presently. I have always held that it is dangerous to rely on one computer for issuing the cheques, without maintaining an emergency service against the possibility of machine breakdowns.

That is why we were not at all surprised to be given the same old reply: the electronic brain is out of order. Should it not be agreed that the change was made too quickly? And while the unemployed were waiting for their cheques weeks after weeks their anger fell on the officials of the Chicoutimi office, the only one left in the whole region. Indeed the local people had to get in touch with someone and this is the only office they can reach right now. I want the people to know at least where the trouble is and who are the persons really responsible for the ever-growing delays the unemployed have to put up with.

Mr. Speaker, I want to say to the government and to the minister in particular that when a worker has paid his unemployment insurance contribution, he is entitled to receive his insurance—and I do say "his insurance"—because it is not the government that pays this contribution; it has been withheld at the source without asking for any permission. This is the new democracy. And after generously helping itself, the government does not take the means to honour its contract. As a matter of fact, it resorts to any possible means to delay the payment.

If there are deficiencies in the way these benefits are paid, there are also some very serious ones in the acceptance of these same payments. How many hundreds of cases I have had to work out on this subject. The Unemployment Insurance Act is essentially quite good, but the regulations derived from it often cancel its effects and make them null and inefficient.

To prove my point, I shall give two or three examples. Take the case of work stoppage on account of illness. The act says that the insured is entitled to a maximum of 15 weeks of illness.

• (1630)

But is it known, Mr. Speaker, that there are regulations which determine for how long—two, three or ten weeks, depending on the type of operation or illness—a patient may receive benefits? But there is something which is even more serious: even a physicians's prescriptions are powerless against these regulations. Therefore, it is a civil servant who is neither a physician nor an orderly who will decide how many weeks an unemployed person should be ill.

I have seen many cases where even the intervention of the attending physician or specialist were of no avail. Is this situation normal in a civilized country which is sometimes considered a democracy? Really, this is the element which causes the most problems, namely, whether the decision of a civil servant, based on ridiculous regulations, should have more weight than the prescriptions of a physician.

The payment of benefits to retired workers is another litigious issue. They say that a worker will be entitled to benefits provided he refuses the Quebec pension. In any case, it is clearly specified in the act that if a man aged 65 voluntarily withdraws his Quebec pension plan he will not be entitled to receive at the same time any unemployment benefits. It is a glaring injustice which shows how deceitful a law can be. Note that this worker was obliged to contribute to the Quebec pension and the unemployment insurance plans; the premiums were nevertheless pocketed. In this field, governments are experts. To the worker compelled to abide by the two contracts they will say: we had you contribute to both plans, but we forgot to warn you that you were entitled to only one type of benefits. You have been had. I think it is the policy of any government to gull everybody for a while, but I am sure that they will not always be able to do so.

I shall mention now the case of those who leave their employment voluntarily; it is another contentious issue, Mr. Speaker. When a worker is not happy with his work or his salary, it often happens that he is forced to quit his job, and I do say "he is forced". I have seen really distressing cases; I pleaded them and I lost because the civil servants were right.

Some employers take advantage of that, particularly in springtime when jobs are rare, to have work done by employees under inhuman circumstances at excessively low salaries because they know that the workers cannot leave; if they do, they will no longer be entitled to unemployment insurance benefits or they will be deprived of them for four, five or six weeks depending upon the whim of the civil servant.

In my opinion, that section of the law is simply ridiculous because it gives every discretion to the employer over the employee and multiplies unfair practices. I simply ask the minister to consider the Unemployment Insurance Act and I am sure that he will move the amendments requested by the workers.

Furthermore, such a worker having been said to leave his job of his own free will, he is punished, as a child at school might be made to kneel in the corner, by being deprived of benefits for four, five or six weeks. He is not the one being punished, Mr. Speaker. His family will not get a penny for four, five or six weeks. Because the father could no longer endure his working conditions he had to leave his job and the whole family will have to suffer because he refused to put up with the bad treatment or poor working conditions the employer wanted to inflict upon him.

I wanted to bring this to the attention of hon. members, although I could give several other examples, but for lack of time I shall just limit my remarks. Their purpose was to call hon. members' attention to some shortcomings of the Unemployment Insurance Act.

I should like to deal briefly with another matter I hold dear because it concerns everyone in my riding. The hon. member for Fraser Valley East (Mr. Pringle) beat me to it by drawing it to the attention of the Minister of Finance yesterday. In fact, as reported in *Hansard* on June 12th, 1972, the hon. member said, and I quote:

> However, I am disapppointed that adjustments were not announced which could correct some of the unfair anomalies relating to excise tax and sales tax. For example, tea, coffee and powdered drinks are exempt from federal sales tax. Ice cream cones, popsicles and the like are free of federal sales tax.

Mr. Speaker, the tax on soft drinks originated simply from a wrong interpretation of the terms "food products". I find it strange that tea and coffee, for instance, as served in hotels, etc., as well as ice cream cones and powdered drinks should have been classified as food products, while soft drinks were not.

One could think the government was not well informed enough but, I feel the contrary to be true after having looked into the inquiries the government itself commissioned and having done some reading on the subject. I am referring to the 1966 report of the Carter Royal Commission of Inquiry on Taxation, from which I quote the following:

Consumption statistics reveal that expenditures on food are regressive because they represent a substantial proportion of the total expenditures of the lower income groups. If food were exempt from tax the most regressive element in a general sales tax would be eliminated. It is clear that the need for sales tax exemption of food is strong and that the need increases with family size. Moreover, a tax on food would create administrative difficulties where farmers sell produce directly to consumers—

We believe that, to avoid regressiveness, there should be no sales tax on food. Furthermore, we consider that, to avoid discrimination between food products and for ease of administration, the exemption contained in Schedule III to the Excise Tax Act should be extended to the remaining taxable food products, including margarine, confectionery products and soft drinks—

And in the Smith report, we read the following:

Using similar language to that found in the Carter report, the Smith report in Ontario also recommends that soft drinks be reclassified and exempted from the sales tax.

It states:

Ontario Committee on fiscal affairs, 1967—

We have found that, in order to avoid that the tax be a heavy burden for the low-income and large families, the exemption for food products must be maintained, in spite of the fact that, at the present time, this exemption reduces tax revenue by more than 40 per cent. But the present definition of food products is a complex one which contains many anomalies. For instance, buttered popcorn is exempted from the tax, but sugar-covered popcorn is not . . . all food products for human consumption should be exempted. As we shall explain further, we see no serious inequality of treatment in the continuing taxation of prepared meals and alcoholic beverages. Accordingly, we favour exempting all edible food products, including marginal products such as candies, confectionery, soft drinks, vitamins, food supplements, diet supplements, saccharin, insulin, etc.

So, we can say that the government was perfectly well informed in this respect and I still wonder why it has not complied with numerous requests to consider soft drinks as ordinary food.

I do not think this changes a jot in the act because it is simply a matter of redefining what is a soft drink to classify it among ordinary food items.

• (1640)

[*English*]

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, in rising to speak on the first budget brought in by the new Minister of Finance (Mr. Turner), I feel compelled to make an observation that might help to explain some of its shortcomings. I should say at this point, Mr. Speaker, that the Minister of Finance has the sympathy but not the support of all members on this side, at least in my party. It is not easy for an aspirant to the leadership of his party to wear the mantle of Minister of Finance in such a way as not to tarnish his image. I am convinced he was thrown to the wolves, and that is unfortunate. He might have brought a measure of human dignity to the leadership of the Liberal party, if he had been given the opportunity, something that has been sadly lacking in that party.

On April 27, the Leader of the Opposition (Mr. Stanfield) asked the Prime Minister (Mr. Trudeau) if he had given the Minister of Finance permission to bring down a budget. As usual, the Prime Minister avoided answering the question. On the following day the Minister of Finance announced, in answer to a question asked by the hon. member for Edmonton West (Mr. Lambert), that he would bring down a budget and table the budget papers on May 8. He had about ten days in which to throw together a budget, have it printed and drum up a little enthusiasm for what most people expected would be an election budget. I am not saying it was done in exactly that way, although it certainly looks as if it were.

If this really is an election budget, Mr. Speaker, then I am all for it. In all my years in Parliament, and I will have been here ten years next Sunday, June 18, the anniversary date of the 1962 federal election, I have never seen a budget that so clearly vindicates the Leader of the Opposition. I must say that while this budget vindicates our leader and our party in its tax reduction measures, it does not go nearly as far as we should like; however, that is understandable. This government has drifted so far from the realities of present day Canadian life and has so completely lost touch with the people, that this budget must appear to it as the great cure all. It cures nothing, Mr. Speaker, being just a palliative.

What will be the effect of this budget on the youth of our country? I am particularly concerned, because this budget has done nothing for youth, nothing for those categories of young people who are still in school or just leaving secondary school and not yet employed and who are without any present hope of obtaining employment. The Opportunities for Youth and Local Initiatives Programs are mere stopgaps; these schemes are without stability or security. Benefits for recipients are neither stable or secure. When the money the government has allocated to these programs has been spent, and do not forget that these are short term programs, Mr. Speaker, the few in each community who have been recipients of this money will be no better off, except to this extent: they will have been given two months pay. At the end of that time they will not have learned enough from those brief programs to enable them to acquire steady jobs, which need a certain amount of knowledge and limited skill if they are to be retained. And, so, these people will wander through the swamps of idleness and unemployment; they will despair of their ambitions; their spirits will be dulled and, in many cases, destroyed.

In this country, Mr. Speaker, we need an apprenticeship system for our youth similar to the old, well tried and proven English system under which young people were taught certain skills. After finishing, they stood a good chance of earning a decent living. What I am saying is borne out, I submit, by an editorial which appeared recently in the Ottawa *Journal,* from which I wish to

quote. The headline reads, "The Young Don't Want To Live on Welfare". The editorial reads in part:

> The Canadian Council on Social Development reports startling increases in the numbers of young people on welfare—
>
> Most of the young persons told interviewers they rejected welfare as a way of life; 97.3 per cent said welfare was only a temporary form of relief for them. More than a third considered it 'a big trap; once you get into the welfare rut, it is really hard to get away from it.'
>
> Why are so many young people who don't want to be there, in danger of being trapped in the welfare jungle? In March, the unemployment rate for the under-25s was 11 per cent, compared with a 4.2 per cent unemployment rate for Canadians 25 and over.
>
> This is a most depressing and worrying situation. Somehow our society in the private as well as government sectors must shape itself so that the young can go to work. If they do not it will mean far more than so many statistics about unemployed—it will mean the people who will compose the future of this nation are soured and frustrated, and their spirit no less than their citizenship will bear blighted fruit.

I sincerely hope that that possibility will not materialize. In fairness to the new Minister of Finance, I must admit that this budget is a beginning, albeit a small begining. Pensions for the elderly have been increased, no doubt in response to the urgings of the Leader of the Opposition. However, this measure stopped short of parity. To begin with, the basic pension has fallen far behind the rate of increase in the cost of living. The government appears to be hung up on the means test for the income supplement, and has again applied the modest increase to the supplement rather than to the basic pension. In addition, the government failed to take into account the abnormal rise in the cost of living which has taken place since it has been in power. The increase should, really, have reflected that rise, which has certainly been more than one of 3½ per cent. However, I would not stand in the way even of this slight increase, Mr. Speaker. Elderly pensioners in this country have waited long enough. I would not want them to wait until the government changes hands in the next few months; this, apparently, will happen.

Let me mention the efforts we have made to have pensions increased. Those of us who have been fighting for increased pensions for veterans would not mind campaigning on this budget. We could point out that, although the government has offered the veterans 3½ per cent extra, their basic pension rate is still $1,000 below the level established by a previous government. Some years ago, the basic pension was set at the level of the average, annual wage of an unskilled labourer. Today, that level is at $4,500 per year. Nevertheless, the veteran's basic disability pension has been allowed to drop to $3,500. The government previous to the present one allowed this to happen, and the present government has apparently not considered the matter important enough to take corrective action.

The pledge to maintain the basic veteran's pension at the level of the annual wage of an unskilled labourer was given by an earlier parliament. As a Member of Parliament I feel bound by that pledge. It is a responsibility I cannot pass off as lightly as hon. members opposite seem able to do. When this basic level was adopted, veterans' organizations approved it as being as realistic as they could hope for and they were prepared to live with it. If the veteran's basic pension were to be raised to that level, the increase proposed in this budget would be acceptable. Until that is done, Mr. Speaker, I cannot accept a total increase that resembles a gratuity more than a decent living for those who have sacrificed so much for their country.

I now turn to housing, Mr. Speaker. The 11 per cent sales tax on building materials remains, despite appeals from all over Canada for its removal. Now the government, more callous than ever, has announced a new housing program which it knows it can not implement before the next election. Government members know this. This is only an attempt to get support from a great segment of the Canadian public that no longer has confidence in the Trudeau administration.

• (1650)

The main thrust of this budget, Mr. Speaker, is the group of measures designed to stimulate the economy by offering incentives to industry and business, and here again the Leader of the Opposition has provided the guidelines. However, Mr. Speaker, the government has once again jumped off the boat before it reached the dock. Again, we have a token gesture on the part of the government in an area that has suffered the most in our system, the free-enterprise sector.

I can agree wholeheartedly with any measures that will compensate for the shortsighted policies that have resulted in a general slowdown in the industrial and business sectors over the past four years, with a resultant escalation of unemployment. Not only is it imperative that we take steps to revitalize the economy in order to create new jobs, it must be done in order to protect jobs that presently exist. We have had no evidence of that, particularly during the past couple of weeks. While I agree in principle with the measures in the budget to encourage production, I cannot accept the government's view that they have provided the answers to the problems that exist. I do not think they have gone far enough, and I do not think that there are enough built-in incentives to create jobs as well as increase production. Jobs are not created automatically when production increases, nor are jobs created in proportion to production increases.

While I quarrel with the substance of the incentives in the budget for industry and business, I reject out of hand the spurious argument of the leader of the New Democratic Party. I do not think it is evil to make it possible for industry and business to turn a reasonable profit. Profit is the stimulus that keeps our economy vital and promotes healthy economic growth. The incentive to realize a profit from one's investments creates jobs, and that is the way jobs are created in our system. I remind the leader of the NDP that the majority of Canadians like our capitalist, free-enterprise system. Indeed, it would be well for both the Liberals and the NDP to take some notice of the rejection by the Canadian people of socialism and government control of every aspect of daily life. We in this country respect the right of free choice and the sanctity of the individual. We do not need socialism, and we do not want socialism. It would be a poor substitute for what we have now.

As with every budget tabled by this government since they gained control of our country, this budget is more

significant and remarkable for what is missing than for what is present. There is no mention in the budget of measures to establish a more equitable schedule of disbursements from the coffers of the Department of Regional Economic Expansion. This greatest pork barrel in the history of Canada keeps growing larger, more cumbersome and the department becomes less equitable in its approval of projects.

DREE is a political football unmatched in magnitude in the annals of Canadian government. It is a comedy of errors and, more correctly, a tragi-comedy. It is a tragedy because the money being disbursed by this department is tax money. It belongs to all Canadians. It is tragic because it is being used by this government to attempt to build political strength in areas where that strength, or support, has to be bought. It is tragic because this government cannot buy respect and support from any part of Canada with dollars, however many they are willing to spend. No government can buy respect and confidence. It must earn the confidence of the people and respect will follow. This can only be done if a government demonstrates that it is prepared to listen to the people, heed the people and govern for the people.

The mandate won by the government in the last election is not in any way reflected in this budget, Mr. Speaker. The mandate of the official opposition is, in some facets, reflected in this budget and there is a measure of poetic justice in the fact that the government is on the point of going to the Canadian people for a new mandate. There is a distinct possibility that the government will hesitate to put this budget forward as an election budget. In that case, we can expect a new one in the not too distant future, Mr. Speaker, and I can suggest what the government might put in that budget. First, it should go all the way on the recommendations of the Leader of the Opposition on old age pensions instead of stopping short of parity. There is no parity in a measure that does not take into account the rise in the cost of living, or of the fact that inflation is now out of control. I suggest that in the next budget the government restore the schedule of veterans' pensions whereby the basic pension is equal to the annual wage for unskilled labour. No one could accept a level that is lower than that for unskilled labour.

If the government is really serious about wanting a new mandate, Mr. Speaker, and I cannot imagine them wanting to give up the keys to the kingdom at this point, I suggest that they include in their election budget measures to eliminate the incredible waste that has marked their years of misrule. They should abandon the wasteful projects that are siphoning off the hard-earned tax dollars of our citizens and fire the ministers who have been handling them. They have had their fun and nothing can last forever. Just tell them that there comes a time when all good things have to end. Since the present government has been in power, just four years, the cost of government has doubled while the national budget has increased by 50 per cent. Using that as a yardstick, if the present government is returned to power, Canadians can expect their national budget to be double what it was in 1968. No one can deny that the present government is playing a dangerous game of brinkmanship with our economy. Every year that the present government is in power, we move closer to national bankruptcy. While such a prospect would play into the hands of the socialists in our midst, it is cause for alarm for the rest of us.

[Mr. Alkenbrack.]

I wish to refer to an editorial in today's Ottawa *Journal* pertaining to our National Debt. I will quote from it presently. This is a vital question. The minister has completely ignored that most onerous item, the cost of carrying the total public debt which now stands at $2,022 million for the fiscal year. We are now paying 14 per cent for our money. No home owner in Canada would accept this rate for a first mortgage on his or her dwelling. Accordingly, they ought not to tolerate a 14 per cent mortgage rate on our country. I now quote from the Ottawa *Journal*:

> The net national debt at March 31 was $17,922,000,000, an increase of $600,000,000 compared with March 31, 1971. The gross national debt, which includes assets such as government loans, advances and investments, was $47,633,000,000, an increase of $4,658,000,000 in the year.
>
> The cost of carrying the total public debt, chiefly in interest, rises year by year—$1,301,000,000 in 1967-68; $1,480,000,000 in 1968-69; $1,717,000,000 in 1969-70; $1,920,000,000 in 1970-71 and $2,122,-000,000 in 1971-72.
>
> This means that each Canadian has an interest bill of some $100 staring him in the face each year. Interest charges are not an abstraction. In 1971-72 the public debt costs were 14 per cent of the budgetary expenditure and exceeded the bill for defence.
>
> Every government can spin a tale on how it can not help increasing debt. Yet it still seems daft always to be paying more and more in interest when money could be employed—if debt were reduced—in improving the amenities of life and reducing taxes.

If one increases the debt, one increases taxes. We must reduce our public debt to a level more in keeping with the taxpayers ability to bear it. No one can really fault a brand new Finance Minister for adopting a protectionist posture when tabling his first budget, especially if the minister concerned aspires to lead his party. However, we have reached a point at which a budget, any budget, is of paramount concern to the average Canadian citizen. We have reached a point at which a budget must reflect the government's confidence in its ability to solve serious problems and face up to the realities of Canadian life. A shrug of the shoulder is not a good substitute for concerned leadership. Nor is a budget of this sort an answer to the longstanding ills in our economic system or to the inequities suffered for so long by the disadvantaged, the elderly and the veterans. I would not say this is a budget of confidence. I call it pussyfooting around the issues.

• (1700)

I had hoped I would find evidence in this budget that the government plans to decelerate its reckless program of spending and direct its fiscal strength toward productive benefits for our troubled nation. The government has not done so.

Mr. Speaker: Order.

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, the budget debate provides Members of Parliament with an opportunity to discuss important economic issues. Today, I should like to discuss what I and many of my constituents consider to be the most serious economic issue facing the country today. I refer to the problem resulting from unsatisfactory labour relations and, in particular, to the right to strike in essential industries and in the public service.

Since the beginning of this year, my city of Montreal has been plagued by a continuing wave of serious strikes. There was the common front strike of 210,000 provincial employees which lasted for 11 days. Taking part in this strike were teachers, hospital workers, court employees, hydro workers and so on. This dispute has not yet been settled. There was also a strike of blue collar workers which started back in February. The men were ordered to return to work but the strike is presently being continued. Taking part in this strike are garbage workers, traffic maintenance men, sewer workers and the like. I might also add that there were garbage strikes in Toronto and Vancouver. All these strikes are, of course, within the provincial sphere of responsibility, but I draw attention to them because they have an impact on the entire national economy and are interrelated with labour relations in the federal field.

On the federal scene we have witnessed a strike of air traffic controllers, the NABET strike and, now, the strike of longshoremen in Quebec and the St. Lawrence ports. Both the air traffic controllers strike and the longshoremen's strike have been marked by serious economic consequences not only to Quebec but to the whole nation. As a result of this experience, people in all parts of this nation at all economic levels are seeking a better way to resolve disputes between labour and management. Labour, management, government, blue collar workers, white collar workers and all serious labour analysts are reaching the conclusion that nobody gains from a long strike. This is particularly true of strikes involving essential services which enjoy a monopolistic position.

It is evident that in most strikes more is lost by the strikers than is ever gained through wage increases and better working conditions. And we must take into account losses suffered by employers, the loss of markets, sometimes permanent, loss of work in related industries, loss of production and the loss to the community as a whole. It is my opinion that the strike is an outdated weapon in accomplishing legitimate economic goals and that where essential services are involved it is a form of anarchy, a kind of warfare between vested interests. It is very often a form of blackmail directed toward the general public, a conflict which recognizes that might is right with little concern for justice or social needs.

What I say with respect to the right to strike I apply as well to the unlimited right of lock-out. The distinguishing feature of our strikes in the public service is that the public service is monopolistic and, moreover, paid for through taxation. When a certain segment of the public service goes on strike, it is in effect, attempting to reallocate the expenditure of tax money, sometimes unjustly. Alternatively, the general level of taxation is forced up. For example, a government could be forced to spend relatively more on television services than on medical care, even though a parliament or a legislature might have decided that it was more important to spend money on medical care than on television.

There are other serious side effects of strikes in essential public services. The consumer is directly affected. Society as a whole bears the brunt of such strikes twice over, first by being deprived of certain goods or services for the duration of the strike and, second, by being made to pay in the form of higher prices the cost of the gains made by the unions. There is also the inflationary impact on the economy to be considered. In order to discourage public servants from striking, governments are often compelled to grant large pay increases with the object of placating the unions. Both the Economic Council of Canada and the Public Service Commission have admitted that this practice encourages prices to follow wages and contributes to the inflationary spiral.

There are other serious spill-over effects. For example, the 12-day strike by air traffic controllers in 1972 was the consequence of a $3 million difference between the government and the union. But the loss to the economy as a whole as an indirect consequence of the strike has been estimated at $150 million. So what was originally a dispute over $3 million resulted, due to the strike, in a loss to the general economy of $150 million.

I should like to refer, now, to some of the public opinion polls in connection with strikes in essential services. I shall read first the results of a public opinion survey published in the Ottawa *Citizen* on April 29. The question was as follows:

> Some people believe the right to strike has outlived its usefulness and that before any strike is permitted both management and labour should agree to abide by a voluntary arbitration decision for at least a year. Do you favour or oppose such a plan?

On a national basis, 78 per cent were in favour, 12 per cent opposed and 10 per cent undecided. In labour homes, 74 per cent were in favour, 16 per cent opposed and 10 per cent undecided. In executive and professional homes, 81 per cent were in favour, 13 per cent opposed and 6 per cent undecided. The results of a national Gallup Poll were published in the Montreal *Star* on May 15. The following question was asked:

> What about strikes in occupations where the public is seriously inconvenienced—such as strikes by employees of the postal service, airlines, railroads or the telephone service; do you think they should or should not be permitted to strike?

On a national basis, 32 per cent said they should be permitted, 57 per cent said they should not and 11 per cent were undecided. In union homes, the corresponding figures were 48 per cent, 41 per cent and 11 per cent and in non-union homes, 61 per cent, 28 per cent and 11 per cent.

Another poll was carried out by the Canadian Institute of Public Opinion and the results were published in the Ottawa *Citizen* on April 19—these are all recent polls. The question read:

> As you know, there have been a number of strikes recently. In general, how serious do you think such strikes are for the Canadian economy?

I shall summarize by simply saying that in non-union homes 68 per cent of those asked described the effect as very serious, 25 per cent as fairly serious and 4 per cent as not very serious.

I should like to refer as well to some statements made recently by Mr. George Meany, head of the AF of L-CIO in the United States. According to Mr. Meany, labour should voluntarily replace strikes with reliance upon binding arbitration for a one year period. He said that the strike is a 19th century tactic, and with the advent of corporate giants and correspondingly super-unions, strikes become even-matched struggles which drag on for

weeks, radiating economic shock waves far beyond the limits of the actual conflict. That is what Mr. George Meany, one of the top union executives in the world today, has said about strikes. While it is easy to recognize the frustration of management, of labour and the public with respect to such strikes, it is not easy to find workable solutions. Extremely complex problems are involved and there are no panaceas. The suggestion that we can solve the problem merely by making strikes illegal is totally unrealistic. The mere passage of a law declaring a strike illegal may not settle anything.

• (1710)

The present longshoremen's strike in Montreal is illegal. The Montreal policemen's strike which took place a few years ago was illegal. We have had many serious strikes which were not legal. In Australia, where there is compulsory arbitration, there are five times as many illegal strikes as there are legal strikes in Canada.

The problem with illegal strikes is to find an appropriate sanction that will deter such strikes or prevent them happening. Some suggest fines against the union, the union leaders or the strikers, but it is not always easy to enforce execution of such a provision. Others suggest that we put strikers or union leaders in jail; but we cannot jail all the strikers in a large strike, and even if we could this would not provide us with the services needed. We cannot pick men off the street to fill highly skilled and difficult jobs. With regard to jailing union leaders, we have seen that such a measure can easily lead to an escalation of the dispute and perhaps to serious political confrontation. Others suggest decertification, withdrawal of the check-off provision, or similar sanctions.

Many would argue that the most effective sanction and the greatest incentive to settle a dispute is loss of wages to workers and loss of revenue to employers. Many believe that this is the most important sanction that will lead both sides to negotiate a settlement. I shall point out later that many experts today question that particular means of settlement in certain public service and essential services disputes.

Even if we could legislate men to stay on the job, we cannot guarantee that we will get better results. We may still be faced with work to rule situations, slowdowns, wildcat strikes, product sabotage, rotating strikes and study sessions. All these tactics have been used by unions when they have deep founded grievances and no other method of settling them. In recent years there has been great concern voiced by many Canadians on this subject and there have been several studies, royal commissions and legislative provisions. In 1967 this Parliament passed the Public Service Staff Relations Act after exhaustive committee hearings. This law gave the public service unions the right to organize, to carry on collective bargaining and to strike. The right to strike was provided for, except in the case of designated employees whose duties were necessary for public safety and security. I presume the groups covered by that provision were the RCMP, the armed forces and other similar groups.

It was stipulated in that law that unions could opt for one of two routes; either for binding arbitration or for the right to strike. The majority of the unions opted for the arbitration route at the beginning, and I should like to refer to the percentage that did so. During the initial stages after passage of the Public Service Staff Relations Act in 1967 there were 81 occupational groups that applied for certification. Of those 81 groups only 10 opted for the strike route; all the others opted for the arbitration route. However, as of March 1972 the number of groups opting for the strike route had increased from 10 to 18, with the number of employees involved rising from 38,000 to 64,000.

We might ask what is the reason for this change from 10 to 18 groups in favour of the strike route as opposed to the arbitration route. Some have argued that those who originally chose the arbitration route found that they got smaller settlements than unions in the private sector who had the right to strike. Businessmen and others in the private sector should remember this when they criticize different governments for giving the right to strike to the public service. They cannot expect workers in the public service to accept smaller wage increases through arbitration procedures when they see their co-workers in private industry negotiating higher settlements with the threat of a strike hanging over the whole issue.

In 1967, the government of Lester Pearson appointed the Woods commission task force on labour relations. I should like to give the House some of the findings that commission made with respect to strikes in essential services and in the public sector. The commission said that in their view collective bargaining was the most acceptable form of resolving disputes. They said that this "antagonistic co-operation" must be contained, however, in the interests of labour, management and the public. They recommended that the services of a conciliation officer be imposed on the parties before they are permitted to engage in a strike or lockout. They also said that it was extremely difficult to say in advance in what industry resort to strike our lockout should be curtailed, and that the length of a strike or lockout is frequently the critical factor in such an assessment. They felt that we should have a flexible approach and that the determination that a given stoppage of work should be terminated in the public interest was a political decision. They said this political element is an inducement to the parties to drive them to settle their dispute.

I wanted to go into the whole subject, which I consider to be most important, in great detail, Mr. Speaker, and I was going to refer to the experience of other countries. However, since preparing my remarks the time of speeches has been reduced from half an hour to 20 minutes, so I shall have to skip a lot of what I was going to say. Therefore, I will come to my concluding remarks since I have only a few minutes left.

One of the principal points that I want to make is that in addition to the right to strike and the right to lockout there should be a right to service, especially essential services. The basis of the right to strike, which is that the cost to both union and to management will eventually force both to arrive at a compromise, I submit is no longer valid since, first of all, the cost of many strikes is now borne by the public, particularly in the service industries such as transport, education, garbage removal and so on. Second, in other cases the cost of a strike is carried by

suppliers and sellers of a product. For example, a recent cannery strike ruined many small tomato growers, while only inconveniencing the union and the management of the cannery. There may have been no cost to management or labour.

• (1720)

The spread of techniques to save management from loss is shown in the agreement that when one airline is struck the extra revenue gained by other airlines is given, after deduction of costs, to the struck airline, or management can simply raise prices. Workers can often expect to make up their lost wages in overtime. In a recent New York school teachers' strike, the teachers demanded the opportunity of extra teaching time, even if much of it were useless. In short, the cost of most strikes is now paid by the public. Consequently, we must recognize a new right, the right to public services. I believe firmly what we must do is make the arbitration provisions in our Public Service Staff Relations Act more attractive so that more of our unions in the public service field will resort to arbitration rather than to the strike.

We should also assure that there are better grievance, conciliation and mediation facilities. We should provide for continuous bargaining to get to the trouble spots well in advance. In respect of essential services where a strike may seriously affect the economy, public health or safety, there must be provisions to prevent or end such strikes. Such provisions now exist in the act, but maybe they should be extended. It is merely a question as to where we draw the line. Parliament has always reserved the right to pass special legislation to end a strike and this has been done on several occasions. The question arises again as to whether this right may be left with Parliament or whether it should be delegated to the government to use as it sees fit.

Before I conclude, I should just like to emphasize these points. We must seriously re-examine our labour laws, especially those relating to essential and public services. We must admit that some factors do not apply today as they applied in the 1920's, 1930's and the 1940's, when labour was poorly organized and often exploited; nor is management organized in the same way. We must recognize the public's right to services, especially the right to basic essential services such as security, safety, health care and so on. We must recognize the right of elected officials to determine the priorities in allocating tax funds and the general level of taxation in order to serve the general needs of all the population, not just the demands of organized labor.

The Acting Speaker (Mr. Boulanger): Order, please. I regret that I must inform the hon. member that his allotted time has expired.

Mr. William Skoreyko (Edmonton East): Mr. Speaker, I thank you for giving me the opportunity this afternoon to participate in this debate. I am delighted to participate for a number of reasons, but first because there was so much time spent in the committee and, indeed, by this House dealing initially with that voluminous document. I am delighted to participate because the new Minister of Finance (Mr. Turner) is sincerely trying to find a workable plan in the mess he inherited from the former minister of finance.

Before I get to the budget itself, I should like to take the opportunity to congratulate the hon. member for Edmonton Centre (Mr. Paproski) and the hon. member for High Park-Humber Valley (Mr. Deakon), both of whom dealt rather extensively with the inadequacies of our immigration laws as they exist today. I intended initially to deal with some of the anomalies of that act, hoping to give those Canadians, seven million in number, who are of European or other extraction than English or French an opportunity of feeling they are part of the Canadian community. I think those two gentlemen covered the inadequacies of that act, so I will not deal with it further.

Referring to the budget itself, sometimes referred to as the pride of the Liberal party, it is amazing to recognize how quickly this government points out that there are so many thousands of Canadians who will not pay any tax at all, or will indeed have their tax reduced, while at the same time they say nothing about the thousands who will pay much more. I liken this budget to FISP and other family allowance programs recently before this House because the Liberals went across the country publicizing the fact that, under these plans, 1.5 million Canadians would get more, but they said not one word about the 1,200,000 who would get nothing.

It is true that through the budget the government has reduced corporate taxes, but it has said nothing about how it is going to maintain that tax reduction. This is a temporary measure, of course, to say the least, in the absence of any consultation with the provinces about proposed reductions in their corporate income tax. These proposed reductions depend entirely on provincial governments not changing their corporate tax structure. I should like the minister to indicate whether he has had consultation with provincial governments in this regard. I should like to know whether he has dealt to any extent with the 30 per cent credit for dividends from taxable corporations which would only have effect if provincial governments do not change their structure or grant similar credits. Will the minister consult provincial governments in this regard so the corporate structure of Canada can be made aware of provincial attitudes?

There is something wrong with government fiscal and monetary planning when we find small businessmen feeling pinched day after day, many of whom have been going out of business because there was nothing for them in the budget. There is something wrong when we find municipalities arranging their financing needs or borrowings out of the country in order to make a saving. They can get reduced interest rates. There is something wrong when we find municipalities begging for funds and assistance to establish land banks for future use. Whatever money is available to them now for this purpose comes from foreign countries. There is something wrong with the budgetary processes and policies of this government when in urban centres in Canada it is virtually impossible to build a modest home for under $18,000; when the cost of living in this country is going up constantly, and when unemployment is increasing rather than decreasing. There is something wrong when the Minister of Finance, new as he is, stands pat on a budget which is devoid of

remedies for the ills of our economy. There is something wrong when the government has to resort to stop-gap measures such as LIP and the Opportunities for Youth program instead of creating the kind of economy which would provide the long-term jobs that the youth of our country are looking for and need.

Getting back to what the minister may or may not have done with the provinces, I should like to pursue this matter a little further to find out what undertakings he has received from various levels of government across the country. In the absence of such undertakings, the tax proposals in this budget could further widen the regional economic gap in Canada. One can foresee corporations phasing out their operations and moving from one area or province to another to take advantage of the absence of estate or gift taxes. In spite of DREE, these moves will take place, particularly in circumstances where existing plant facilities have been fully depreciated. One major move out of any number of regions in Canada could create untold hardship on the citizenry.

• (1730)

I would like to know if the minister, since taking over the Benson brainchild, has given the fullest consideration to the impact on the free enterprise posture of the country of the imposition of the capital gains tax. Has the minister seen what has happened to the corporate profit structure in the country since 1968? I wonder if he is aware that the best performance of the corporate structure in Canada was before the 1968 general election. I wonder, also, if he is aware of the impact on entrepreneurs of the dividend tax credit proposals. Is he aware that the industrial structure of this country which is most capable of buying Canada back has had, by these tax measures, its appeal to making investments in Canadian corporations made less attractive than ever before?

I wonder if the minister is aware of what has happened to taxable income in the rural communities, the farming enterprise of our country, in recent years. Is he aware of the declining total tax payable by the agricultural sector of our country? Does he know that since 1968 the agricultural economy of the prairie provinces has dropped and is staying at that low level, yet there is nothing in the budget to ease the burden of the farmer? I am expecting, Mr. Speaker, that the attitude of the new Minister of Finance may not be the same as that of the former minister toward the western provinces.

Another strikingly strange development in the House over the months has been the silence of those who expounded views on Canadian nationalism and economic nationalism. Almost daily in this House, and certainly two or three times a week, the NDP asked the government what they were going to do about buying Canada back. Suddenly there was DISC, and suddenly there was a surtax. Just as suddenly, the NDP and the Liberals who spoke about the possibility of buying Canada back clammed up; there was no more interest in economic nationalism.

What would be the result if foreign investment withdrew from the country? I would not suggest that the nation would go bankrupt immediately, but certainly the standard of living would drop to anywhere between 40 per cent to 60 per cent of what it is now. I ask how many Canadians are prepared to give up 10 to 15 years of this standard of living to buy back foreign-owned Canadian industry. However, there are reasonable alternatives and solutions with a minimum of impact on foreign investors which would at the same time encourage Canadian investors to invest in Canada more.

For a nation that is some 100 years old in terms of governing ourselves, the lack of attention given to corporate law is most deplorable. I have no qualms about attracting foreign investment to Canada. Let us invite the wealthy nations of the world to bring in all the capital they can spare. We need all the capital we can get. That is how Canada was built in the first place. But we need rules and guidelines.

Let us deal for a moment with a hypothetical situation and take Germany as an example. That country invests in Canada $100 million in German marks deposited in Canadian banks. They would have to search out our export and import markets in the hope of selling and buying goods from Canada, because for a number of reasons they would have a major investment in Canada and would have to negotiate a trade arrangement to get back some of the invested money.

What is needed is a set of foreign investment laws or guidelines so that the multinational corporations would know what they have to live with. The foreign investor will not, and cannot be expected to invest in Canada or in any other country where there is any threat of nationalization or takeover. Assurances must be given that the laws governing foreign investors can be tolerated. I give the example of a law passed in Mexico not many years ago under which it became illegal for any foreigner to own more than 49 per cent of a corporation or business in that country—51 per cent had to be Mexican owned. Yet in the long run that legislation has not stopped foreign investment in Mexico.

On the other hand, let us examine the example of the Bahama Islands. The picture is entirely different. Foreign investment has dried up almost totally there because of the government's negative attitude toward foreign investors. Surely the minister knows that acceptable foreign investment guidelines and laws can be formulated. The present foreign takeover policy, the Gray report, is meaningless and gutless. It reflects only the incompetence of this government to deal seriously with the problem. In the absence of a sound, long-term policy in this area the government has had to resort to political gimmickry in an attempt to dupe the Canadian people into believing that they have taken serious steps in an area of great concern to many Canadians when in fact they have done nothing.

I want to see a great deal of foreign investment in Canada, but I want to see it here in cash. I want to see multinational corporations with established credit bring cold, hard currency into this country and put it to work. I do not want to see multinational corporations borrowing from our leading institutions, because of their multinational credit ability, so as to acquire Canadian companies. In far too many cases the acquisition of Canadian industry by the transfer of shares and the acquisition of necessary credit from Canadian banks has resulted in a Canadian-owned company becoming foreign controlled.

I do not find withholding taxes offensive. I am sure that most corporations cannot dispute the validity of a just withholding tax. The other disaster, of course, as it has its impact on the Canadian corporate structure and is the direct responsibility of this government, is the floating of the Canadian dollar. The long-term adverse consequences of that move have not yet been fully realized.

• (1740)

There are other serious government instrusions into the corporate sector of the country. We have the competition act and the new labour act. Some of the strangest thinking emerges from this government on occasion. Millions of dollars are poured into the Canadian industrial complex to stimulate the economy, to stimulate business activity, to create jobs and to create business stability. DREE is trying to do all this, and the government after all this effort then introduces the competition act. The explanatory notes or preamble state that a dynamic and efficient market economy is the basis of the Canadian economic system and that the purpose of the competition policy is to keep the market as efficient as possible. Those are beautiful words. But what is necessary for a good and orderly market economy? There are a number of things necessary. There is the right of people to produce, the right of people to buy, the right of people to sell, the right of people to distribute goods and services of their own choosing, the freedom of an individual to do what he wants to do and how he wants to do it.

If you subject our industrial complex to rules and regulations that govern all aspects of commercial life, if the restrictions are so all-encompassing, so restrictive, so extensive as to regulate individual action, then those rules are no longer defensible. The sum total of restrictive legislation is that it leaves no area of freedom. The competition act is not only highly complicated but it is an administrative nightmare; it is unworkable from the business point of view. Instead of promoting efficiency and more vigorous competition, the reverse will be the end result; we will get less efficiency, less competition and less production.

A more serious effect could be that the industrial complex in Canada will have to seek greater integration with the United States of America and surely will be compelled to develop very different economic policies both domestically and internationally. I presume my time has expired, Mr. Speaker.

Mr. Bill Knight (Assiniboia): Mr. Speaker, I take part in this debate to outline some of the concerns I have about the government's proposals within the budget. I begin by complimenting the hon. member who has just finished speaking for outlining the basic philosophy taken by the Conservative party. He outlined a policy on the one hand of saying the government does not go anywhere in terms of its foreign ownership legislation, and on the other hand of calling for absolutely no restriction on foreign investment. I suppose, Mr. Speaker, that they are trying to walk a middle line. Sometimes this works for some groups, but I suggest to Her Majesty's Loyal Opposition that the people of Canada are waiting for some direct and comprehensive policies on their part and not a continuation of their trying to walk a middle line, trying to go in two different directions at the same time.

This budget was introduced as one—

—to buttress the Canadian economy, to provide incentives for Canadian industry to grow and compete and provide jobs.

The document entitled "Budget Highlights" described permanent incentives to strengthen the competitive position of our manufacturing and processing industries as follows:

General corporate tax rate reduced to 40 per cent on Canadian manufacturing and processing income only, effective January 1, 1973.

Tax rate reduced to 20 per cent from 25 per cent on manufacturing and processing income eligible for small business incentive, effective January 1, 1973.

Two year write-off introduced for machinery and equipment . . . for manufacturing or processing in Canada.

That was assumed to give the Canadian economy the incentive to create employment, to go ahead in terms of benefits with jobs for Canadians, With all due respect, may I point out to the government that there is no guarantee that tax cuts of this nature will go into the development of more jobs for Canadians, that in fact the only role this kind of budget plays is in fattening the profits of corporate interests. There is no guarantee in the budget of one more job being created. One can only wonder who are the types who can praise this type of budget. I note that in the Toronto *Globe and Mail* of June 7, the president of the Canadian Manufacturers Association was reported as saying:

This is a Minister of Finance who speaks our language . . . he did not deliver more than was necessary, but he did deliver, and come next January we will feel the beneficial effects.

I wonder who the "we" will be. I assume it will not be the vast majority of the Canadian people. The "we" will be the corporate interests in the Canadian Manufacturers Association. That is a fundamental point in describing the philosophy of the government toward multinational corporations. It is coupled with a piecemeal, loose, totally irrelevant piece of legislation concerning foreign ownership. In the finance committee today we were given a complete outline of how this legislation is worse than useless. That will be a committee report which every member of this House should read.

What did the budget do in terms of the agricultural sector of the economy? It did nothing. As a matter of fact, in terms of manufacturing and processing, in terms of who will have their taxes reduced, the ways and means resolutions accompanying the minister's speech provide as follows:

—for the purposes of this provision "Canadian manufacturing and processing profits" of a corporation for a taxation year means the amount, determined under rules prescribed for that purpose by regulation made on the recommendation of the Minister of Finance, of a corporation's income for a taxation year from the manufacturing or processing in Canada by it of goods for sale or lease except that, for the purposes of this provision, the manufacturing or processing of goods for sale or lease does not include

(e) farming or fishing including the processing of any produce of farming or fishing for the purpose of preparing that produce for marketing,

(f) logging including the processing of timber in the course of logging operations—

Farming and fishing, including the processing of any produce of farming and fishing for the purpose of preparing the produce for marketing, will not be included. When he was questioned in the agricultural committee, the Minister of Agriculture (Mr. Olson) showed that he was not even aware of this particular aspect of the budget. His government has given no answer to the question as to whether this tax cut will in any way be related to the agricultural industry.

At the same time as that problem develops, we see at page 22 of the booklet entitled "How Your Tax Dollar is Spent" that two cents of each tax dollar will go to the agricultural industry. In terms of the importance and significance of this industry, that is a disgusting, almost irrelevant situation created by the government which offers nothing more than corporate tax write-offs without dealing with the basic problems of the individual, of the personal income taxpayers who include the farmers.

• (1750)

At the same time as this government introduces fantastic cuts in corporation taxes, we remember how over the years they have proposed to introduce so-called tax reform. Last fall they claimed there would be a more equitable tax system and that they would be carrying out the recommendations contained in the Carter commission report, the concept that a buck is a buck. Then they backed down, and we still have a tax system of special privilege where a single person earning $10,000 a year in wages or salary pays $2,285 in taxes, the individual making $10,000 a year through capital pays $833 in taxes, and the individual earning $10,000 in dividends from a Canadian corporation pays a mere $193 or less. Under this Liberal government that is what is called a just society. But in the spring they brought in a budget which further reduces taxes paid by corporations. They have the gall to call this equity in our tax system.

Mr. Speaker, there has been some suggestion that the cut in corporation taxes will help our industries to react to the United States DISC program. However, it is interesting that in the finance committee today it was learned that a company can very easily keep the manufacturing of auto parts in the United States and set up the assembly plant in Canada, thus benefiting from the DISC program in the United States and the corporation tax cuts in this country. This is an atrocious manner in which to run a government and it is an atrocious claim that employment will be created through this kind of activity.

Today we have seen the unemployment figures and note no substantial change. This budget is not an answer to the unemployment problem. What is the alternative that the Tory party has been suggesting in the last couple of years for the more equitable distribution of income and the creation of full employment? All we have is a greater cry for some kind of incentive, a greater cry for a further reduction in corporation taxes, a greater cry to treat the large corporate interests in an easier manner than even this government has done. But Mr. Speaker, that is even less of a solution than what is proposed in this budget.

As time goes on we must decide the economic policy of this country. We need to develop an industrial strategy related to the creation of full employment while at the same time attacking the problems of inflation. Until the government develops a full industrial strategy instead of merely putting band aids on those parts of the economic system that keep splitting, we will not develop anything like a just society or the kind of society where each knows that the other is paying his fair share of taxes.

This government could easily have used the money provided to the corporations by way of tax cuts to reduce the taxes of the individual taxpayer in the lower and middle-income groups. This would create considerable consumer demand for goods, thus creating employment and providing for the money to flow back into the economy. But neither this government nor, I would suggest, the official opposition are going to forget their friends who sit in the corporate boardrooms and cry for concessions in order to make greater profits.

There has been considerable talk in this budget debate, Mr. Speaker, about foreign takeovers and direct investment, particularly by members of the Tory party. They say that if foreign investment were curtailed it would be a disaster for Canada, ignoring the sound economic statement made by the hon. member for Duvernay (Mr. Kierans) who pointed out that investment in this country is not so much the problem as is the expansion of foreign firms already operating within the Canadian economy. If we are to survive in the twentieth century as an independent nation, this is the problem we must come to grips with. This budget does not deal with the farmer, the small businessman, the ordinary citizen of Canada; it deals mainly with the corporate interests and the self-interests of the party in power.

May I call it six o'clock, Mr. Speaker?

[*Translation*]

The Acting Speaker (Mr. Boulanger): It being six o'clock, I do now leave the chair until eight o'clock.

At 6 p.m. the House took recess.

[*English*]

AFTER RECESS

The House resumed at 8 p.m.

Mr. Knight: Mr. Speaker, just before six o'clock when the House adjourned for the dinner hour I was discussing the fallacy behind the corporation taxation cuts, suggesting they would not affect the ordinary citizen of Canada. I referred to the economics relating to those cuts and suggested it was a fallacy to assume that such cuts would be instrumental in creating jobs for Canadian citizens. I submit they will merely provide additional profits for the corporations involved.

I said that in the last few years our tax system has been changing constantly. The Carter commission's report was brought down, then the white paper was presented by the former minister of finance. The House debated the so-called tax reform bill in the previous session. Amendment were moved to that bill, and then those amendments were amended. Now the government has introduced a budget which totally disregards equity in our tax system. So we have seen considerable changes. One might say this situa-

tion can be compared to a caterpillar turning into a butterfly: the butterfly is not half as pretty as one might expect. We live in a society that is still full of inequities. These extend to our tax system and to the special privileges this government has given to the private, corporate sector of the economy.

• (2010)

[*Translation*]

Mr. Maurice Dupras (Labelle): Mr. Speaker, I wish first of all to commend the Minister of Finance (Mr. Turner) for his budget, which has been realistic in all respects, taking into account the difficulties of our times and tending to create employment, something which we greatly appreciate.

The welcome given that budget by the Canadian people is a good indication that the minister, who has been holding his portfolio for only a short while, will be as successful in his new functions as he has been in his capacity as Minister of Justice.

As I said the measures which he announced in his speech have been welcome by most Canadians who have judged them objectively. For that matter some have already been passed and more than 1,800,000 Canadians are taking advantage of them.

Those measures are consistent with the spirit of the white paper tabled recently by the Minister of National Health and Welfare (Mr. Munro), which set objectives for those Canadians who are concerned about creating a more viable social environment. It is therefore natural that sufficient income should be guaranteed everyone within a federal state.

The budget speech also announced fiscal measures to stimulate the economy, measures that I should like to dwell upon at greater length to bring out those elements capable of promoting the creation of new jobs. All the advantages stemming from those measures are possible and are given the Canadians without tax increases.

The minister has been accused of having brought down an election budget. Mr. Speaker, the same accusations were made by the hon. member for Prince Edward-Hastings (Mr. Hees) in june 1971, when the Minister of Finance (Mr. Benson) brought down his budget. The hon. member was so convinced he was right at that time, that he even had the audacity and arrogance of betting that a general election would be held in the fall of 1971. Each budget, over the past two years, has brought forth the same reaction from opposition members. They clamour that an election is close at hand. How can they, on the one hand, accuse the government of introducing an election budget, then on the other say there is nothing in the budget? The only ones to be taken in by that little game, Mr. Speaker, would seem to be the press, who trumpet forth that there will soon be an election, because a number of opposition members say so.

[*English*]

Among the social meausres indicated in the budget speech is the escalation of the basic old age security pension to the full increase in the consumer price index, effective January, 1972, and the increase in the maximum payment under the combined old age security guaranteed income supplement by $15 per month for a single person and $30 for a married couple as of January, 1972, with full escalation after April, 1973.

The announcement of these measures, together with the special exemption for taxpayers aged 65 and over to $1,000 from $650, along with a similar exemption for the blind and those confined to bed or wheelchair, came as a consequence of the will of the government to enlist the economy of the country in reaching the objectives of human development and social justice. In this endeavour the measures announced are a step in the right direction.

The increase in the old age security guaranteed income supplement is a recognition of the important contribution the people receiving it today brought to our country in their productive years, a large number in wartime, working long hours in war plants or on farms, contributing with their income tax to finance their country's total war effort. They were in the front line as active participants in the development of our country. They helped bring into being this great Canada that has so much to offer to the young generation, and they did it without many of the social benefits which today we take for granted. I have no resistance to giving our senior citizens a better life. There is no conflict in my mind as to the distribution of social assistance. While I recognize that we must give some priority to youth, we must not neglect our senior citizens.

[*Translation*]

The budget, Mr. Speaker, justifiably I believe, has been called a budget for old people, young people and industry. First of all, it seeks to restore the competitive potential to Canada's manufacturing industry. It also aims at neutralizing the impact on the country's economy of recent changes which have taken place on the international scene, such as the emergence of new trading powers like Japan and the nations belonging to the extended European Economic Community, or the protectionist trend imparted by the Nixon administration to the commercial policy of the United States. Furthermore, it aims at improving the economic status of several more or less marginal groups of citizens: old people, veterans, students, people who require medical care and those in need of transportation for the purpose of receiving medical treatment. Finally, it is aimed at speeding up as a result the creation of permanent and lasting employment.

Those announced measures are an indication that the minister has faith in the Canadian industry. The effect of those provisions on the economy is largely dependent on the willingness of the industry in each province to take advantage of the proposed tax concessions. It is also an act of faith in the economic potential of the country which has succeeded in creating more employment than several European industrialized countries combined.

The tax concessions granted to the manufacturing and processing industries will from now on quite favourably compare with those already granted abroad, especially in the United States and the member countries of the European Common Market.

Consequently, it is to be expected that those measures will surely become substantial incentives for the establishment in Canada of new manufacturing plants or for the expansion of existing facilities by allowing the increase of

the income to be produced finally by the capital they will have invested.

Those measures may also be a first step towards the adoption of a national industrial strategy taking into account the needs of the various industrial sectors in our country. In our view, the best industrial policy would be to concentrate our efforts on those fields in which we are already successful.

• (2020)

The number of our achievements in industry may be most impressive, but we must still concentrate on traditional activities which have enabled us to demonstrate our capabilities to all other countries.

Among these activities, there is, for instance, the pulp and paper industry which is still recovering from last year's slump which was one of the worst in the past 40 years. Seldom have so many adverse factors come together in such a short time, in one particular industry: precipitation of the Kennedy Round tariff agreements, increase in value of the Canadian dollar which has now gone up nearly 10 per cent compared to 1970; finally, the 10 per cent American surcharge imposed last August, and a slowdown of the economic activity.

As a result, plants in Canada have been forced to reduce production to avoid the accumulation of excessive inventories whereas during the previous years many of them had increased their production capacity so as to be in a position to meet a world demand which was expected to be higher than it has really been. Many of these companies have had to establish large-scale programs to cut all non-essential expenses and consequently they have had to reduce to less than $50 million in 1971 their expenses for new machinery, compared with an annual average of $150 million over the previous ten years.

Another field in which we excel is aeronautics. The aircraft industry is one of the most important employers in this country, particularly as far as the production of the short take-off and landing aircraft (STOL) is concerned.

The products of this important industry are very popular throughout the world and we see Caribou, Otter and Beaver aircraft used both in highly industrialized countries and in the bush of under-developed countries.

If we want our sales promotion campaign to be successful, we must necessarily demonstrate the great merits of the STOL aircraft. It is up to us, the manufacturers, to use it, to show its great usefulness to the best advantage and to advertise its relatively low cost.

Mr. Speaker, I do not understand the remarks the hon. member for Duvernay (Mr. Kierans) made and which can be found in *Hansard* for June 5, on page 2847, while dealing with the act on the review of acquisitions of control of Canadian business by foreigners. I quote:

> Technology for what? To produce things people do not want. It may be the moon, supersonic aircraft or technology to provide services the people do not want. They have the same priorities for destroyers, CF-5's or hydrofoils. Now, the current one going on is that somehow there is a technology of STOL aircraft—
>
> —for Short Take-Off and Landing—

[Mr. Dupras.]

> —which might place Canada in the forefront.

Mr. Speaker, our interest in this aircraft is quite obvious: both in the development and sale of such aircraft, we should consider the possibility of giving a Canadian industry a development which would place it among the most important in the world. Our intention to use these aircraft between Montreal and Ottawa to test their value and that of other electronic devices connected with this type of operation is justified.

Again, I don't understand why the former minister is questionning the wisdom of the government in establishing this type of service between Montreal and Ottawa.

I do not think it is aimed at saving a few minutes to hon. members and other travelers, but by helping an industry which has given proof of its efficiency it is a way of demonstrating that the aircraft has a wide range of possibilities.

Neither do we intend to underestimate the importance of the manufacturing and service sectors in which we excel; we must also encourage the development of the primary industry. We could hardly expect the establishment of an expansion-oriented policy without national development in this field of activity. We obviously need a balanced expansion and we should move toward a national strategy.

In drawing up this industrial policy, we should take into account that belief which is of concern to our fellow citizens to the effect that we exercise a kind of monopoly over our natural resources and that we can exact a ransom from all other countries by using such resources as a bargaining tool in international trade negotiations.

I believe, Mr. Speaker, that nothing can be farther removed from the truth than this belief and I find this argument utterly absurd. We are surely the largest producers of some metals such as nickel and zinc. As for other important metals, our reserves are considerably smaller.

Moreover, Mr. Speaker, the statement that the rest of the world would use up its mineral reserves thus increasing the value of ours is not true in terms of mineral products, since the possibilities of new discoveries on land, apart from the sea bottom, continue to exist. Land and sea contain unlimited amounts of most metals. Technology will certainly make these reserves available to us.

Indeed, our mineral resources are only valuable when they are discovered, mined and developed and if we do not reach this goal, we run the risk of losing our position on the world market. Those who believe we should spare our natural non-renewable resources should take into account that the need for some of them can disappear. Without running the risk of using up our present reserves, it would be unwise on our part not to develop them and, later on, possibly face the situation where the demand for such supposedly limited reserves of the mineral could progressively decrease on world markets.

I think for instance of coal which is mined in the eastern part of the country but which is needed increasingly less.

The changes in technology indicate that it is not impossible that natural non-renewable resources which we consider so important today because of their value can be

replaced tomorrow by others of easier extraction and cheaper development.

[*English*]

Mr. Melvin McQuaid (Cardigan): Mr. Speaker, I welcome the opportunity to participate for a few minutes in this debate. I feel that at the outset I should warn Your Honour that my remarks will be of a somewhat parochial nature inasmuch as I propose to deal with the serious economic situation facing the Atlantic area. I make absolutely no apology for this approach, because the economy of the Atlantic provinces is a system upon which depends the livelihood of more than two million people in the region. We did enjoy a period of great prosperity during the first half of the nineteenth century. Our fish was sold in the British West Indies, our timber found a ready market in Britain, we carried on an extensive shipbuilding industry and in general the economy was not too bad.

Unfortunately, the basis of our prosperity was undermined when ocean transportation was gradually replaced by air and rail transportation. The Royal Commission on Dominion-Provincial Relations made this clear in its report, from which I quote the following:

> With the cheapening of transportation and the growing advantages of large-scale production, industry was drawn nearer to the rapidly increasing populations of western Canada and the central provinces and nearer to the centre of United States industry which financed and controlled so many of the Canadian manufacturing enterprises.

In other words, we could not compete and an increasing number of small establishments in the Maritimes were compelled to close down. As a result, many of our people were obliged to leave for other areas. It is alarming to note that between 1961 and 1969, a period of only eight years, 150,000 people left the Atlantic area. Of these, 36,000 were from Newfoundland, 7,300 from Prince Edward Island, 58,000 from Nova Scotia and 49,000 from New Brunswick.

Perhaps the most alarming aspect of this trend is the fact that two-thirds of the 150,000 persons who found it necessary to leave were between the ages of 15 and 34, the really productive years. As a result, in my own province of Prince Edward Island today 44.2 per cent of the population are either under 15 or over 65. I notice, according to figures released a few days ago, that our province, proportionate to its population, has among its citizens more voters over the age of 65 than any other province in Canada. In the province of Newfoundland, 45.2 per cent of the population are either under the age of 15 or over 65. In Nova Scotia, the percentage is 41.4 per cent, and in New Brunswick 42.7 per cent. The Canadian average is 39.4 per cent.

Thus, we in the Atlantic area are well above the Canadian average in terms of people who have not yet reached, or who have gone beyond, the really productive years of their lives. I suggest that a lowering of the level of migration can only be achieved through the generation of employment at a sufficiently high level of income to make remaining in the area an attractive proposition.

• (2030)

The key to regional development is to narrow the income gap between the Atlantic provinces and the rest of Canada. But this is a key which unfortunately nobody has apparently yet been able to turn. I would ask the Minister of Finance (Mr. Turner) to take note of the fact that without question we are the backward area of the nation. The main impetus for development in the Atlantic provinces must come, I suggest, from the establishment of secondary manufacturing industries. It has been estimated that we need 170,000 new jobs in the next ten years in order to encourage our people to stay in the area. It has also been estimated that in order to achieve this objective the total capital investment required will be in the vicinity of $25 billion.

The people in my province are dependent to a great extent on agriculture, but unfortunately our farms are becoming fewer and fewer in number. From 1961 to 1966, a period of five years, the number of farms declined by 2.5 per cent in Newfoundland, 13.3 per cent in Prince Edward Island, 23.1 per cent in Nova Scotia and 26.1 per cent in New Brunswick. I suggest this is a very serious situation in an area so dependent upon agriculture.

Our farm labour force has declined. In 1956 there were 49,000 people engaged in farm labouring, but by 1969 it had dipped to 26,000, which represents a drop of 53 per cent. During the past 25 years some 6,000 farmers have been forced off the land by economic circumstances that unfortunately continue to plague us even today.

I was interested in some figures recently released by Statistics Canada showing that the net income of a farmer in British Columbia is the highest in Canada. After all deductions are made, the net income of a farmer in British Columbia is $4,260, compared with the net income of a farmer in Prince Edward Island of $913. In other words, the farmers of British Columbia receive five times the net income of farmers in Prince Edward Island. Therefore, how can you expect young men to enter agriculture? Indeed, how can you expect anybody to continue farming when they have a foreseeable net income of only $913? Farm income is decreasing. Last year, 1971, there was a decrease in farm income in Nova Scotia of $5.5 million, a decrease of $6.3 million in New Brunswick, $7.2 million in Prince Edward Island, for a total decrease for all three provinces of $19 million. This compares with an increase in the prairie provinces of $400 million.

Our per capita income is low. In my own province in the year 1969 it was $1,818, compared to the Canadian average of $2,913. In other words, we are a little over $1,000 below the Canadian average. The Senate Committee on Poverty found that the level of income in 68 per cent of the families on P.E.I. was less than $3,000 a year. That, again, is a very serious situation.

I suggest to the members of this government that we in the Atlantic area are not getting our fair share of money under programs such as LIP. Out of a total of almost $160 million last year, the Atlantic provinces received only $41,517,000. On the other hand, the province of Quebec received almost $63 million. I suggest that $41,517,000 is insufficient in an area so badly in need of assistance as ours. My own province of Prince Edward Island received just over $2 million. We are thankful for what we have received, it has been a help to us; but I suggest in all seriousness that it is not enough.

Spokesmen for the government tell us that we in Prince Edward Island are being taken care of under this famous development plan. Under the development plan as it is presently set up, $725 million will be spent over a 15-year period. At first sight that sounds very good, but let me remind you, Mr. Speaker, that of that $725 million only $225 million is being contributed by the federal government, the rest has to be contributed by the province itself.

Therefore I ask, where is this $500 million the province must contribute going to come from? There are only 111,000 people in the province of Prince Edward Island and today our direct debt is $110 million, about $1,000 for every man, woman and child in the province. According to the latest figures released by our finance department, to service that debt alone will cost about $11 million, which is about $100 for every man, woman and child in P.E.I. So before the government can turn the wheel at all it must raise from the taxpayers—who are not able to pay—$11 million just to pay the interest on what they owe.

I always maintain that governments are very little different from individuals. I can go to a bank and borrow a certain amount of money. However, there comes a day when the banker says to me, "I am sorry; I just cannot go along with you any longer. You do not have the assets to back up your loan". As sure as I am speaking here tonight, Mr. Speaker, unless the situation changes this is what we will be facing in the Atlantic provinces. People will not buy our bonds because they will say there are insufficient assets to stand behind them. Recently, student researchers conducted a survey and out of 1,841 questionnaires that have been evaluated, 1,136, or 62 per cent, see the plan killing small farms and businesses. Only 667, or 36 per cent, are satisfied with the direction the plan is taking. In all seriousness again I suggest that the development plan is not the solution to our problems.

Let me repeat that the problem confronting all four of the Atlantic provinces is that of slow economic growth. The manifestations of this slow economic growth are lower per capital income levels than the national average, higher unemployment rates, and substantial migration. The ultimate objective must be the fullest and most efficient use of the human and material resources of the region. The opportunity for productivity, for productive work, must be made available to all our people; and our greatest hope is access for maritime manufacturers to the markets of Ontario and Quebec.

• (2040)

In this connection, I was particularly pleased yesterday to hear the Minister of Supply and Services (Mr. Richardson) announce that tenders for the supplying of commodities to the federal government would be considered f.o.b. factory. This is what he said as recorded at page 3040 of *Hansard*:

> A proposal which I intend to discuss further with my colleagues is the establishment of a policy under which any Canadian who wishes to sell to his national government can bid on the basis of his costs at his plant, that is his bid will be judged f.o.b. plant rather than f.o.b. destination which would of course then include transportation costs to destination.

There is no question but that this is very admirable and will probably help us in the Atlantic area, because we cannot compete by reason of high transportation costs. Let us not lose sight of the fact that this is not the only cost, that is, moving the product out of the Atlantic area; we also have the cost of moving raw materials in. In a great many of our manufacturing plants the raw materials must be brought in. In my own province, where we have been denied the causeway, the cost of bringing raw material in is a very material factor added to the cost of the finished product. Consideration should also be given to that factor, but the fact that bids will be considered f.o.b. factory will be of help. I suggest we must not forget the cost of bringing raw material in, because it increases the cost of production.

During the years immediately following the last war the Canadian economy enjoyed one of the greatest expansions in its history. But the Atlantic provinces shared only to a very limited extent in this prosperity, and it is beyond dispute that the rapid expansion of the Canadian economy as a whole has not improved the relative position of the Atlantic provinces within our national economy.

We in the Atlantic area want to contribute productively to the national output. We do not want to be dependent on any of the provinces of Canada. We do not want to be a poor relation. I know that some of the richer provinces of Canada are beginning to complain because they have to contribute to the poor provinces such as my own. We do not want to be dependent on handouts to stay alive.

There is no doubt that we have potential in the Atlantic provinces. We are well located in relation to the large markets on the eastern seaboard of the United States. We have an intelligent and hardworking labour force. Unlike many other provinces, we are free of serious problems of congestion, and our problems of pollution are very small. In fact, they are minimal and in the few cases where pollution does exist it is much easier to control. We have the potential; all we need is impetus. We need money poured into the area to encourage industry to settle there. I suggest seriously that industry will not settle in that area, because of the obvious disadvantage of transportation costs, unless help is given by the federal government.

I say, therefore, without fear of successful contradiction, that with an improved program for regional development we can and will be self-sustaining. Give us the tools and we will do the job.

Mr. Walter Smith (Saint-Jean): Thank you, Mr. Speaker, for this opportunity to take part in the debate on the budget presented to and digested by people all across Canada. It was a very good budget and I can assure you it was well received by citizens in the county of Saint-Jean, which I have had the pleasure of representing since the last election. I should also like to congratulate the Minister of Finance (Mr. Turner) and wish him much success in the portfolio he now occupies, which he is fulfilling in a magnificent manner.

Let me quote from Mr. Gerard Filion, president of the Canadian Manufacturers Association. He was praising the federal government for coming around to industry's position on a number of economic matters, the free enterprise system for the high level of material benefits it bestowed, and the Canadian Manufacturers Association for its strength in vigilantly pursuing the manufacturers' cause. He said:

This is a Minister of Finance who speaks our language . . . He did not deliver more than was necessary, but he did deliver, and come next January we will feel the beneficial effects.

The opposition has not surprised me in the least in its ocmments during this budget debate. It seems its hon. members are determined to criticize practically everything the government proposes. There is never a word of praise or of constructive criticism.

This government has increased old age pensions and supplement pensions for our senior citizens. The maximum supplement has been increased $15 for single people and $30 for married couples. The tax exemption was increased from $650 for citizens over 65 to $1,000. I suggest that the opposition is constantly criticizing the government for the high unemployment rate. In the five-year period from 1965 to 1970, more than one million jobs were created. This figure exceeds the total number of new jobs created in the same period in Belgium, Germany, Italy, France, the Netherlands, Sweden and the United Kingdom combined. The total population of those seven countries, about 12 times as great as Canada's, had fewer jobs created than Canada. This momentum is continuing in Canada.

This government created the Department of Regional Economic Expansion and has spent over $900 million in the past three years in creating new jobs in the regions of Canada in greatest need. In the county of Saint-Jean many industries have taken advantage of federal subsidies for the construction of new industries and for the expansion and modernization of others. This county has been declared a designated area since December, 1970. The Minister of Regional Economic Expansion (Mr. Marchand) extended the deadline from June of this year to June, 1973.

The county of Saint-Jean welcomes this extension because it will encourage more industry to our cities and towns. We find Canadians of different origins, French, English, Scottish, German, Chinese and many other ethnic groups working together as Quebeckers and Canadians. Many new jobs have been created in my riding under the Local Initiatives Program. This program has been well received. Unfortunately, some of the projects submitted were not accepted. Close to $1 million have been allocated to date under this program in the county, and many thanks go to the officials of the Department of Manpower and Immigration who have approved constructive projects. The officials of the local Manpower centre in Saint-Jean and others have been very helpful in preparing and suggesting projects to be created which correspond with the local needs of each section of the county.

• (2050)

Many new projects were accepted this year under the Opportunities for Youth program which had much success last year when it was first started. Students welcome such initiatives and it is hoped that many worthwhile projects have been accepted for this summer, permitting students to earn enough money to continue their studies next fall.

Agriculture is very important in the county, and the dairy industry perhaps employs more people than any other. Only two years ago this industry was not too healthy, but thanks to the dairy commission and the federal-provincial marketing plan which was put forward and accepted by the dairy producers, today they have nothing but praise for the government's guidance in the production and marketing of dairy products. The price of butter, milk, cheese and milk powder has increased in the past year. My congratulations are extended to the industry for their co-operation and understanding.

Market gardens occupy an important sector of the county, especially in the area of rich, black soil where each year several thousand acres are sown to potatoes, carrots, turnips, onions and many other small vegetables. Nevertheless, more protection should be given to producers of green vegetables during the fall season by imposing better controls over imports from the United States at that time of the year. Most of the carrots and turnips in the region find a good market in the United States and Great Britain.

Thanks should be extended to the Minister of Industry, Trade and Commerce (Mr. Pepin) for his understanding and good judgment of the textile industry which only two years ago was threatened by imports. Much improvement has been noted in this industry in the past year and more employment has been created in the past few months. The Canadian Textile Institute has admitted that the government's policy has stimulated investment and restored confidence in the industry. However, more improvements are necessary because the industry accounts for slightly more than half the total market of textile products and our imports are higher per capita than those of Great Britain, the United States and the European Community; so the situation leaves something to be desired.

In the county of Saint-Jean there are over 100 industries manufacturing many products such as carpets, household equipment, building supplies, prefabricated homes, cables, and many others. In the past year the cities of Saint-Jean and Iberville have seen the construction of a multipurpose school erected in each city. I was happy to learn that the federal government's contribution to each was close to $2 million.

I have noticed that I am running out of time, Mr. Speaker. There are many other subjects on which I wanted to comment. However, before my time expires I would like to say a few words regarding an important problem which Saint-Jean, Iberville and many smaller municipalities have encountered each spring, especially in the past three years, namely, the flooding of the Richelieu River.

Thousands of acres of land on each side of the river are flooded every spring, and good farmland is being eroded and damaged to the extent that several acres cannot be cultivated and sown in agricultural products until late July. Damage to homes has been very high in the past three years. Last spring the water level remained high for about six weeks and millions of dollars of damage was suffered by the residents of the area.

The rock between Iberville and Saint-Jean is apparently the cause of the flooding, delaying the excess flow of water which comes from the Adirondack Mountains and Lake Champlain in the United States. In the mid 1930's when the Friers Dam was built below Saint-Jean, I am informed that plans were made to remove the rock, thus

permitting the water to flow downstream toward Sorel into the St. Lawrence River, but because of the war in 1939 this project was not realized.

I understand that a joint committee has now been created jointly by the province of Quebec and the federal government to discuss the possibility of removing the rock in front of the city. The construction of a dam just below the rapids is also under consideration. This dam would allow the lowering of the water level in Lake Champlain during the winter months, thereby eliminating much of the surplus water that flows down the Richelieu toward the St. Lawrence. I would like to thank my colleague, the hon. member for Brome-Missisquoi (Mr. Forest) for his interest and continued support in finding a solution to this grave problem.

May I conclude my remarks by saying that the government has resolved several of our problems. I hope this government will be re-elected to finish the job which we undertook a little over three years ago, to resolve all the present problems and those that may arise in the future.

[*Translation*]

Mr. Oza Tétrault (Villeneuve): Mr. Speaker, I see that the Minister of Finance (Mr. Turner) is in his seat, and we are pleased to make a few recommendations concerning the budget he brought down here on May 8.

Mr. Speaker, I must congratulate the Minister of Finance for having had the courage to read out the budget speech with a broad smile, but I hardly believe the taxpayers will accept it with a broad smile. Reading between the lines, we realize that this budget again benefits those who control our economic blood.

Mr. Speaker, the minister did not mention the increase in the national debt, nor the increase in the interest rate citizens will have to pay. He did not mention that individuals will pay an extra billion dollars in taxes. He did not breathe a word about the federal government's constant deficits, nor of the rising cost of living nor, finally, of the decreased purchasing power of the dollar.

The government seems to be in a permanent state of deficit, particularly since the years 1961-62, when deficits reached $791 million and for 1972-73 the anticipated deficit is $800 million, all these deficits, since 1961, totalling $6,285 million.

Mr. Speaker, our national debt has increased over six years: in 1967, by $421 million; in 1968, by $784 million; in 1969, by $576 million; in 1970, by $392 million; in 1971, by $417 million and in 1972, by $552 million.

I shall now indicate the figures of interest payable yearly and daily on our financial burden. In 1970-71, interest on the national debt reached $1,800 million, representing $5,150,680 a day. In 1971-72, interest paid totaled $2,030 million, representing $4,561,643 a day. And in 1972-73, the figure will be $2,260 million, representing $6,191,100 a day.

Mr. Speaker, the government is rather generous for the controllers of our economic blood while over the year in interest alone we pay $6,191,000 every day to help financiers go on crushing us.

The government suggests that we now have a problem of overproduction. Accordingly the government tries to boost its trade on international markets and if a country

[Mr. Smith (Saint-Jean).]

has no money to buy our products, the government generously hands it an interest-free loan over a 50-year term and if necessary it grants it an extension of 10 years; in other words, that country can take 60 years to pay the loan back.

Here are the names of a few countries to which the government has granted low-interest loans over 50 years or more: Ceylon, 10 loans for a total of $15,500,000 at ¾ per cent interest; India, 24 loans for a total of $265,333,000, interest-free; Pakistan, 17 loans for a total of $123,238, interest-free; Jamaica, 15 loans for a total of $11,500,000, interest-free; Brazil, two loans for a total of $10,167,000 at 1½ per cent interest; Tunisia, three loans for a total of $56,000,000, interest-free.

• (2100)

Mr. Speaker, I could go on listing 12 other countries to which the government has granted interest-free loans. If it is possible to grant interest-free loans for a period of 50 years to all these countries for building roads, bridges, dams, water works, schools, hospitals, why does the government not want to do the same in Canada for Canadians to build everything that is related to public services through loans granted by the Bank of Canada, as we say so often?

Mr. Speaker, charity begins at home.

The budget provides that the government will collect $1,125 million more in personal income tax than in 1971.

As to the so-called gifts of the government to the corporations, I do not believe in them.

The government will pay $500 million more to our senior citizens and $425 million more to our veterans, that is, a total of $925 million. This means that the government will on the one hand distribute $925 million more, while on the other hand collecting $1.125 billion more from the taxpayers. What a gift! Once again, the taxpayers in the middle income bracket will be the big losers.

As an example, Mr. Speaker, I shall refer to our neighbour the United States which has adopted nearly the same monetary system as Canada and which is regretabbly facing problems somewhat similar to ours.

Today, the world's wealthiest country is broke. Last year, the American economy reached a new high of $1,000 billion; however, the administration of their 21 most important cities lack funds to pay their policemen, their firemen, their teachers and other employees. Because of a shortage of funds, the New York Civic Library will have to cut by half its time of operation: it will remain open 40 hours a week only instead of 78 hours, as previously.

The city of St. Louis cannot hire the policemen or firemen it needs. The city of Boston is on the verge of bankruptcy and cannot replace its 102-year-old wooden sewers. Mr. Speaker, such are the wrongdoings of our present system.

I noticed that several members dealt with the budget but that nobody, except the Créditistes, said a word about our famous limping monetary system.

[*English*]

Who has the right to create money?

Meyer Amschel Rothschild is credited to have said, "Give me the right to create the money of a nation and I don't care who makes its laws."

Who has the right to create money? The answer to this question is quite simple and should be obvious to everyone. Because money today represents goods and services, the people who create the goods and services should have the right to monetize them. The main reason why so many people have the wrong conception of money, what it is, and who should have the right to create it is because, for many centuries, gold and silver were used as a medium of exchange. This creates a lot of confusion among people today. The reason for this confusion is that gold and silver were not only a medium of exchange but were also commodities, because they had intrinsic value, the same as tea, furs and many other commodities that have been used as money in the past. On the other hand our modern money, paper currency and bank deposits, have no intrinsic value; they only represent goods and services. This is so important that I must emphasize it again. Paper money and bank deposits have no value in themselves. They only represent value.

I think this is quite clear, Mr. Speaker.

Here are a number of quotations from the Standing Committee on Banking and Commerce. During the session of 1939 the committee held 30 meetings. Its proceedings covered 850 pages. These are questions and answers made by Mr. Graham Towers, the Governor, at the time, of the Bank of Canada. How money is created by banks:

Banks issue a substitute for money.

Q. When you allow the merchant banking system to issue bank deposits—with the practice of using cheques—you virtually allow the banks to issue an effective substitute for money, do you not?

MR. TOWERS: The bank deposits are actually money in that sense.

Q. . . . As a matter of fact they are not actual money but credit, bookkeeping accounts, which are used as a substitute for money?

MR. TOWERS: Yes.

Q. Then we authorize the banks to issue a substitue for money?

MR. TOWERS: Yes, I think that is a very fair statement of banking. (p. 285)

I think this is quite clear, Mr. Speaker. That matter was discussed in this House of Commons.

[*Translation*]

Mr. Speaker, although there are enough resources in Canada for everybody to live decently, one realizes that there is much poverty. Indeed, two or three Canadians out of five live in poverty. In my constituency—and I believe it is the same everywhere—the 50, 55, 60 and especially 65 year-old people are the ones who are suffer most. They do not have enough income to make both ends meet.

Recently I met a 69 year-old man whose wife is 63 and who gets only $135 a month for both of them. And recently, the provincial government told them they would not get any welfare when old age pensions are increased to $150 a month.

I see that one of the government members finds that funny, but older people do not think it is funny.

I hope the hon. Minister of Finance will take notice of our recommendations.

• (2110)

[*English*]

Mr. Grant Deachman (Vancouver Quadra): Mr. Speaker, in the last moments of this debate I want to refer, not in a very sensational way, to what to some might not believe to be a very sensational subject, that is, some matters concerning my own riding which are affected by federal expenditures. Before doing so I want to join with others in this House who have extended their congratulations to the Minister of Finance (Mr. Turner) on assuming his new portfolio, and to congratulate him in particular on the introduction of his first budget.

The riding of Vancouver Quadra is a city riding, a slice out of residential Vancouver. It has no industry, no great commerce. It is essentially a riding made up of residences and has, in fact, very few new high-rise towers. It is really an old-fashioned residential district. It has, however, within its boundaries some institutions to which, over many years the federal government has made very substantial contributions.

Some hon. Members: Hear, hear!

Mr. Deachman: I refer to the University of British Columbia, situated at Point Grey in the city of Vancouver. Let me give you an idea of the size of this university, Sir. On a year-round basis, 50,000 people work or teach or learn on this campus. During the daytime it has the population of a small city. Despite the fact that it is essentially a provincial institution, the impact of the federal government upon it is substantial. I shall not refer at length to the per capita grant formula, to student loans and to other ways in which federal funds go toward the support of the university and the students, but in particular to a few projects which are remarkable and which I think should be drawn to the attention of the House.

One such project is the health sciences centre which has been under development of the University of British Columbia for the past decade. When completed, this health sciences centre, combining all the disciplines of medicine and paramedicine in the University of British Columbia, will have a teaching hospital of some 350 beds, research and teaching facilities involving the teaching of 450 medical students and 600 nursing students. In addition, an estimated 3,000 students of allied health professions will receive part of their training in the university hospital. The allied health professions include rehabilitation, dentistry and dental hygiene, social work, pharmacy, psychology, home economics and physical education. If you were to visit the University of British Columbia today you would see buildings housing these various teaching, research and healing institutions in the process of construction or already constructed on the campus.

The contribution of the federal government, which is to be matched by the provincial government, toward the construction of the health sciences centre was recently announced at $24,389,533. The press release which made that announcement went on to say that $36,272,788 has been contributed to the University of British Columbia for the health sciences centre since the establishment of the health resources fund in 1966.

Almost equal in size, and eventually to be almost equal in impact, is a little known project now under construction at the University of British Columbia called TRIUMF. The letters stand for Tri-University Meson Facility. Essentially, what that means is a cyclotron into which has gone some 5,000 tons of steel. It looks like a battleship being built on the promontory at Point Grey. The steel for it was fabricated at the Davey shipyard in Lauzon, Quebec.

Some hon. Members: Hear, hear!

Mr. Deachman: This yard was the only one in Canada capable of handling pieces of steel of the required size. The problem of shipping this steel to British Columbia and assembling the pieces on the campus of the University of British Columbia was enormous. The federal contribution to this cyclotron is $23,300,000. This is one of the three meson factories now under construction in the world; the others are at the Swiss Institute for Nuclear Research near Zurich, and the Los Alamos Scientific Laboratory in New Mexico. Less powerful accelerators for somewhat similar purposes are being constructed at Columbia University in New York, at the European Centre for Nuclear Research at Geneva, and in the U.S.S.R.

When TRIUMF is completed and in operation, the experimental work there will combine scientists of many disciplines—physicists, chemists, biologists, therapists, metallurgists and others—in a common new research facility that will be unique in the world. It should also be stressed that TRIUMF will welcome research workers from all across Canada. Indeed, proposals for use of the facility have already been received from the provinces of Saskatchewan, Manitoba, Ontario, Quebec, Newfoundland as well as the neighbouring province of Alberta.

I wish also to refer, Sir, to some other projects of interest which are under construction or just recently completed on that campus. Through the agency of Central Mortgage and Housing during the years 1970 and 1971, loans have been made for the construction of new student residential towers in the amount of $12 million. To an increasing extent students are being housed on the campus. This is made possible through the resources of CMHC.

I refer, also, to a new and very interesting project in which I recently played a small part.

Some hon. Members: Hear, hear!

• (2120)

Mr. Stanfield: We do not want to embarrass the hon. member, but he might appreciate a little applause.

Mr. Deachman: Mr. Speaker, on May 20 I had the pleasure of going to the University of British Columbia with a cheque in my pocket for $2,500,000.

Mr. Stanfield: Hear, hear!

Mr. Deachman: This was part of the $10 million contribution of the federal government to the B.C. centennial celebration of 1971.

Mr. Stanfield: Does the government issue all its cheques in B.C.?

Mr. Deachman: I had the pleasure of carrying this one, sir. The $2,500,000 was given for the construction of a museum on the campus of the University of British Columbia. It will be a showcase for the university's collection of artifacts and northwest coast Indian art. The archaeological collection contains 70,000 pieces—

[Mr. Deachman.]

Mr. Stanfield: The museum will be a good place to bury the remains of the Liberal party.

Mr. Deachman: —mostly from B.C. sites, which are important to the study of North American pre-history and which, incidentally, are not now being displayed, most of them being stored in boxes. The northwest Indian art collection of 10,000 items includes the most comprehensive Kwakiutl collection of any museum of the world. A major part of the museum's art collection will be donated by Walter Koerner of Vancouver, a member of the board of governors of the university and former board chairman.

Mr. Stanfield: The museum would be a good place to house the artifacts of the Liberal party.

Mr. Deachman: Since he came to Canada from Czechoslovakia in 1938, Mr. Koerner has been collecting masterworks to illustrate the achievements of tribal art. These collections altogether will make this museum which is to be constructed on the university campus one of the most outstanding archaeological museums in Canada.

Sir, if time permitted I would describe the impact on the University of British Columbia of a number of national health grants, of grants made by the Fitness and Amateur Sports Council, of grants in the field of architecture made by Central Housing and Mortgage Corporation, and of aid extended by agencies such as the Canada Council which has contributed much to the development of scholars, teachers and people from all walks of life at my university.

An hon. Member: And Members of Parliament.

Mr. Deachman: I include Members of Parliament because there are some in this chamber tonight who are graduates of that university.

Some hon. Members: Hear, hear!

Mr. Deachman: In closing, Mr. Speaker, may I say something that every member of this House knows who represents a constituency in which there is a university, teaching institution or institution of higher learning. Sometimes we are prone to forget the impressive impact of federal spending in the shaping of the role of universities in Canada and in the shaping of men and women who attend those universities and who want to teach and to learn.

Some hon. Members: Hear, hear!

Hon. Hugh John Flemming (Carleton-Charlotte): Mr. Speaker, I appreciate this opportunity, even though only a few minutes remain, to take part in the debate on the budget. I have always felt it a great privilege to be given the chance to speak on the budget. In the budget debate, of course, we learn the ways and means by which the minister proposes to tax people and to achieve those objectives which the government thinks are desirable. I have always felt that it is a great privilege to speak in a debate like this, because if there are things you do not like about the budget you can pick them out and tell the minister what you think.

I congratulate the minister for the budget speech he made and trust that some of the objectives he has set for this government will be met. He said that it was his aim and objective to bring down a budget that would provide more jobs. Those words did not fall on deaf ears so far as I am concerned. Everyone in the chamber applauded his statement. We all hope, trust and pray that the minister's objectives in that respect will be realized.

Mr. Bell: We want more jobs.

Mr. Flemming: However, I have some misgivings about the budget; they have arisen principally because I have found it is difficult to find people who will do certain jobs which require to be done. I believe that many jobs are available which could furnish employment but that people are not anxious to take them. Forestry work is a case in point. To my knowledge, people can earn an excellent wage by working in the woods and cutting trees into logs which in turn are processed into lumber. The lumber is then processed and used for housing and industrial uses.

People are saying, "Why should I take a job when I can get more from welfare than from working?" I know something about wages and salaries and I question the assertion that people can get more money if they are on welfare. However, that is what some people think and that is what they say to me.

When I spoke recently to a man from New Brunswick he was terribly concerned because he could not get help. He had to move his equipment 200 miles because the people needed to furnish the raw material he used were not available. It seems to me there ought to be better co-ordination among various departments of government so that available jobs are advertised and made known to people who under ordinary circumstances should be able to perform the work. I should think that Statistics Canada in Ottawa could furnish unemployment figures and, as well, figures relating to the available jobs in various categories. It seems to me that these figures could be produced from information that could be made available from Manpower offices.

The other day in New Brunswick I was told of a plant—I can tell the minister its name if he wishes—that may be forced to shut down in mid summer, when unemployment is supposed to be lowest, because not enough people were available to supply the raw material necessary to keep the plant going. So it seems to me that the government should try to bring about better co-ordination among the activities of various departments so that we might know what jobs are available and which people are available to fill them.

I have never thought that people should be able to choose between working and living on welfare. I do not think we ever intended people to be given that choice. I do not believe anybody ever intended that the productive ability of our people should be disregarded. What makes the matter worse is that a good many of us are being taxed to provide the welfare that is paid to some people as an alternative to working.

What am I recommending to the minister, Mr. Speaker? I think he ought to use his intelligence and great influence with the government and see that common sense is applied at the administrative level. I suggest that steps should be taken so that all local activities coming under the auspices of Manpower, the Unemployment Insurance Commission and social welfare programs are carried on in the same office. Steps must be taken so that there is frequent, almost continuous consultation among the officers in charge of each of these divisions. Available jobs must be advertised; there must be publicity in this regard. Also, there must be publicity with regard to the general category in which people available are willing to work. There must be information as to their physical strength and willingness to perform the tasks stipulated. Experience in this field will soon be acquired, I suggest because our people soon acquire skills. Personally, I believe people prefer to work rather than not work. Also, the health of the worker would improve and his self-respect would be greatly enhanced. If the minister is to achieve his objective of providing more jobs, he must get down to a grass roots examination of the problem and make up his mind that the provision of handouts is not a permanent remedy.

• (2130)

I believe there is definite satisfaction with the increase in the old age security pension for people who have no other means of income. As for the veterans' pensions, I always thought that veterans who volunteered their services, fought the country's battles, risked their lives in various theatres of war when a great deal was at stake, were entitled to the most generous consideration possible. We voted that way. I am sure everyone within the sound of my voice is pleased that that bill carried.

Then there is the matter of the reduction of the general corporate tax rate. Also, the first $50,000 of corporate income is reduced by 5 per cent. Both these reductions are on manufacturing and processing income. I am not certain what will be considered manufacturing and processing but I assume that any business which changes raw material of any type by manufacturing and processing, thereby enhancing its value, will be eligible. Usually secondary industry is established, at least in my part of the world, because someone has vision. As a general rule, someone has vision and wants to do something. We have an outstanding illustration of that in the constituency I have the honour to represent. I refer to McCain Foods.

I believe I should give the House and the country some very pertinent information relative to McCain Foods and the contribution it makes to the general well-being of that part of Canada in which it is located, which happens to be my native New Brunswick, my own county of Carleton, and to our country in general due to the volume of its production which is exported to the United States. The grant which they received, which has received some publicity since the Minister of Regional Economic Expansion (Mr. Marchand) appeared before the committee, has contributed to the tremendous expansion of McCain Foods. This has had beneficial results in a part of Canada which is suffering from economic disparity. That grant will result in the creation of 770 jobs or it will not be paid.

The grant was based on a total capital expenditure of over $17 million and was, I am satisfied, entirely in accordance with the terms of the act and not due to any special treatment. It was much more justified than was the expenditure of a great deal of the taxpayers' money

by this government. In fact, the spending of many millions of dollars is completely unjustified when one thinks of the wasting of $150 million last winter on local projects and $30 million more this summer, the cost label being put on without any call for tenders or anything. If I had enough time I could give details that would scare hon. members. With this sort of expenditure one cannot help but wonder where it will all end. I suggest to the minister that if he wants to go down in history as being a great Minister of Finance, he should keep better watch than has been the case so far on this whole question of expenditures.

While on this subject I wish to go into the history of the events leading up to the establishment of McCain Foods. I know a good deal about it, for various reasons. During 1956 the government of New Brunswick was approached by four McCain brothers. They presented to the government, of which I was the premier, figures to show that we were importing certain foodstuffs, especially french fried potatoes, to such an extent that a local industry providing it would have good prospect of success. As a basis for the government of that day guaranteeing their bonds, they undertook to provide substantial equity financing to the full extent of their financial ability and of any credit they were able to obtain. They carried out their commitment to the letter.

The government of the day complied with their request and guaranteed their bonds. That decision has turned out to be a good one. It has never cost the people of New Brunswick one penny. It has been a success story from the start. The business has never ceased to expand. It is still expanding. It has spread into the United Kingdom where they have established a branch plant. It has spread into Australia with another branch plant established there. But it retains its head office in Florenceville, Carleton Country, New Brunswick, Canada. They have gone north into Grand Falls where they have established another plant. The direction for this worldwide empire comes from the head office in Florenceville.

But, Mr. Speaker, the end is not yet. These young men are not through expanding the business. With the research which they have established and is available to them, and the experience they have acquired, they are prepared to expand further. Indeed, they advise me that already they have made progress with certain plans for further expansion at Florenceville which in time will be discussed with the government. I for one recommend to this government that they be given the utmost consideration in accordance with the provisions of the statute under which the Department of Regional Economic Expansion operates.

In closing, let me quote the progress made by McCain Foods in a comparatively short time, about 16 years. I have secured information in this regard. This company, in business less than 20 years, now has the following achievements to its credit which I am pleased and proud to place on the record of this House. The minister knows about this New Brunswick plant because the McCains are not particularly strong Conservatives. As a matter of fact, it is quite the opposite. That makes no difference to me at this moment in bringing their accomplishments to the attention of the House.

The value of farm products purchased by McCain Foods in the year 1971-72 was $6,400,000. The average daily purchase of farm products by McCain Foods is $40,000. The number of employees in New Brunswick working for McCain Foods is 1,607. Altogether, in all their enterprises, they employ over 3,000 people. McCain Foods is the largest food processor in the world, excluding the United States. The value of McCain Foods exports of foodstuffs for the year 1971-72 was $3,040,000 processed in New Brunswick. The total value of the New Brunswick potato crop is $15 million: McCain's purchase a substantial portion of it every year. McCain Foods process 21 different food products. At Florenceville and Grand Falls, New Brunswick, their two plants represent a capital investment of $29,500,000 and cover an area of 21½ acres. This is the story of McCain Foods.

These are the things I would like to bring to the attention of the minister. By encouraging this sort of enterprise the minister will achieve his objective of supplying more and more jobs for the people of Canada. This is a part of the country that has the very definite label of disparity on it. Through you, Mr. Speaker, I give the minister this information because I feel he should be in possession of the facts.

I do not need to tell members of this House of my complete confidence in this company and the McCain brothers who direct its activities. The government of which I had the honour to be the head indicated its confidence in 1956 by guaranteeing their bonds. That is the acid test of confidence, is it not—to guarantee bonds for a substantial amount of money? Our government indicated this confidence in 1956. That confidence has been completely justified by subsequent progress and success. So far as the officers, management staff and personnel of McCain Foods is concerned, I have the greatest respect for every member of the organization including the McCain brothers themselves. Their ability has been demonstrated and their personal capacity and integrity I have never doubted or questioned.

• (2140)

Whatever criticism I have of the government for waste and extravagance, I include none at all for the assistance they have given to this industry located in a part of Canada generally recognized to be suffering from what is known as regional disparity and handicap. I can think of no better way to bring about an improvement in economic conditions in this or in other areas than by assisting an industry such as McCain Foods Limited. I reiterate my recommendation to the government that it continue to extend the utmost consideration to any planned future expansion of this outstanding industrial undertaking.

Some hon. Members: Hear, hear!

[*Translation*]

The Acting Speaker (Mr. Boulanger): Order. It being 9.45 o'clock p.m., it is my duty, pursuant to section (8) of Standing Order 60, to interrupt these proceedings and forthwith put every question to dispose of the motion now before the House. The question is on the motion of the Minister of Finance (Mr. Turner).

[*English*]

The House divided on the motion (Mr. Turner, Ottawa-Carleton) which was agreed to on the following division:

• (2150)

(Division No. 29)

YEAS

Messrs:

Allmand
Badanai
Barrett
Basford
Béchard
Beer
Blouin
Borrie
Boulanger
Breau
Caccia
Cafik
Chappell
Clermont
Cobbe
Corriveau
Côté (Longueuil)
Crossman
Cullen
Cyr
Danson
Deachman
Deakon
De Bané
Drury
Dubé
Dupras
Duquet
Éthier
Faulkner
Forest
Forget
Foster
Francis
Gendron
Gervais
Gibson
Gillespie
Goode
Goyer
Guay (St. Boniface)
Guilbault
Howard (Okanagan Boundary)
Hymmen
Isabelle
Jerome
Kaplan
Laflamme
Laing (Vancouver South)
Lajoie
Lang (Saskatoon-Humboldt)
Langlois
Laniel
La Salle
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
L'Heureux
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
McBride
McNulty
Mahoney
Major
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Morison
Munro
Noël
O'Connell
Orange
Osler
Otto
Ouellet
Pelletier
Pepin
Portelance
Pringle
Prud'homme
Reid
Richardson
Roberts
Robinson
Rochon
Roy (Timmins)
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Cochrane)
Sulatycky
Sullivan
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudeau
Trudel
Turner (London-East)
Turner (Ottawa-Carleton)
Wahn
Walker
Watson
Weatherhead
Whelan
Whicher
Whiting—112.

Division

Messrs:

NAYS

Messrs:

Aiken
Alexander
Alkenbrack
Baldwin
Barnett
Beaudoin
Bell
Benjamin
Brewin
Broadbent
Burton
Cadieu
Carter
Coates
Crouse
Danforth
Dinsdale
Dionne
Douglas
Fairweather
Flemming
Forrestall
Gauthier
Gilbert
Gleave
Godin
Grills
Gundlock
Hales
Harding
Horner
Howard (Skeena)
Howe
Knight
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Bellechasse)
Lambert (Edmonton West)
Laprise
Lewis
MacDonald (Egmont)
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacKay
MacLean
Macquarrie
MacRae
McCleave
McCutcheon
McGrath
McKinley
McQuaid
Mather
Matte
Mazankowski
Monteith
Muir
Nesbitt
Nystrom
Orlikow
Paproski
Peddle
Peters
Ricard
Ritchie
Rock
Rodrigue
Rondeau
Rose
Rowland
Ryan
Rynard
Saltsman
Scott
Skoreyko
Southam
Stanfield
Stewart (Marquette)
Tétrault
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Woolliams—83.

Mr. Deputy Speaker: I declare the motion carried.

Motion agreed to.

At 10.10 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, June 14, 1972

The House met at 2 p.m.

ROUTINE PROCEEDINGS

JUSTICE AND LEGAL AFFAIRS

Fourth report of Standing Committee on Justice and Legal Affairs—Mr. Gervais.

[*Editor's Note: For text of above report, see today's Votes and Proceedings.*]

* * *

HOUSE OF COMMONS

PETITION OF CERTAIN RESIDENTS OF EASTERN NOVA SCOTIA FOR FINANCIAL ASSISTANCE TO BUILD HIGHWAY

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have the honour to present a petition from several hundred people from the eastern shore region of Nova Scotia praying that the government provide funds to assist in the construction of a vitally needed highway in this area to alleviate transportation and development difficulties there.

* * *

GRAIN

FEASIBILITY OF USE OF UNIT TRAINS FOR SHIPMENT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, under Standing Order 43 I request the unanimous consent of the House to propose a motion on a matter of the most urgent and pressing necessity. The subject is the government's proposed policy to utilize the inland terminals at Saskatoon and Moose Jaw to assemble unit trains to ship cleaned grain to export positions and the subsequent purchase of 2,000 new hopper cars to implement that policy. In view of the well-founded criticism that the use of these trains for grain shipping will add additional costs to the grain moving system, and therefore to the producer, I move, seconded by the hon. member for Lisgar (Mr. Murta):

That the Standing Committee on Agriculture be instructed to investigate the financial feasibility of the use of unit trains for grain shipment from inland terminals, and report back to this House as soon as possible.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent and the motion cannot be proceeded with.

RAILWAY BOXCAR ALLOCATION TO MEET FARMERS' DELIVERIES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Bill Knight (Assiniboia): Mr. Speaker, I rise pursuant to Standing Order 43 to ask the unanimous consent of the House to propose a motion in the following case of urgent and pressing necessity. Because of the lack of boxcar allocation by the railway companies to meet the specified time of Wheat Board quotas, thus creating inability on the part of farmers to deliver their grain within the specified time, I move, seconded by the hon. member for Saskatoon-Biggar (Mr. Gleave):

That the question of boxcar allocation by the CPR and CNR be referred to the Standing Committee on Agriculture and that the standing committee report to the House thereon by the end of the month.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The motion cannot be put.

* * *

[*Translation*]

LABOUR RELATIONS

QUEBEC—LONGSHOREMEN'S STRIKE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I rise under the provisions of Standing Order 43. I wish to ask the unanimous consent of the House to present a motion on a matter of pressing necessity, concerning the longshoremen's strike which has been lasting for months in the ports of Quebec City, Montreal and Trois-Rivières, on account of one item in an already signed collective agreement which is interpreted one way by the employers and another by the unions.

As the Minister of Labour (Mr. O'Connell) does not permit the employers—

Mr. Speaker: Order, please. The hon. member must state, without making a speech, what the purpose of his motion is so that the Chair can ascertain whether or not there is unanimous consent.

Mr. Rondeau: Mr. Speaker, I was indicating that my motion is intended to ask the Minister of Labour why he

denies the employers the right to prosecute the unions because of an illegal strike.

Therefore, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That this House directs the Standing Committee on Labour, Manpower and Immigration to study this situation and, if necessary, that a recommendation be made to the minister to use compulsory arbitration as a means to put an end to a labour conflict which has lasted too long, causing difficulties for Quebec consumers as well as employees and employers and which is resulting in the import and export trade being diverted to Ontario.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: No.

Mr. Speaker: The motion cannot be put.

* * *

• (1410)

[*English*]

SCIENCE AND TECHNOLOGY

WHITE LAKE DOMINION RADIO ASTROPHYSICAL OBSERVATORY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion related to the pressing need to protect the important research work being done by the White Lake Dominion Radio Astrophysical Observatory near Penticton which is being threatened by encroaching land subdivisions. I would move, seconded by the hon. member for Fraser Valley West (Mr. Rose):

That the matter of the White Lake Dominion Radio Astrophysical Observatory and the severe damage which will result to its outstanding research facilities from encroaching land subdivisions be referred to the Standing Committee on Miscellaneous Estimates for study and report.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The motion cannot be put.

* * *

BUSINESS OF THE HOUSE

DESIGNATION OF THURSDAY, JUNE 15, AS OPPOSITION DAY

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I wish to advise the House that tomorrow has been designated as an opposition day.

[Mr. Rondeau.]

EXHIBITIONS ASSISTANCE BILL

MEASURE TO PROMOTE AGRICULTURAL AND FISHERIES EXHIBITIONS AND DEVELOP COMMUNITY FACILITIES FOR USE IN CONNECTION THEREWITH

Hon. H. A. Olson (Minister of Agriculture) moved for leave to introduce Bill C-214, to promote agricultural and fishery exhibitions and to provide for the development of multipurpose community facilities suitable for use in connection with such exhibitions.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

*ST. LAWRENCE SEAWAY

Question No. 528—**Mr. Burton:**

1. What was the total cost to the government of construction of the St. Lawrence Seaway?

2. Since completion of the St. Lawrence Seaway, what was the total spent on the Seaway?

3. What is the total cost to the government, to date, in developing harbour and grain storage and loading facilities at the Port of Churchill, Manitoba?

[*Translation*]

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the answer to this question being quite lengthy, I would ask that it be printed in *Hansard* and taken as read.

Mr. Speaker: Does the House agree?

Some hon. Members: Agreed.

[*Editor's note: The answer referred to reads as follows:*]

1. At 31 December 1959, the year in which the Seaway opened, the cost (in thousands) to The St. Lawrence Seaway Authority was $310,691,000 comprising: Montreal-Lake Ontario section, $284,971; Welland Canal, $25,720; Total $310,691.

2. Since 1959, up to 31 December 1971, the construction cost has been increased by: Montreal-Lake Ontario section, $51,773; Welland Canal, $75,902; Welland By-Pass, $144,570; Total $582,936. (Construction cost—31 December 1971 (including interest during construction—$36,431.))

3. The National Harbours Board advises as follows: The cost of berthing facilities, land, buildings, grain elevator system and equipment is $19 million at the end of December 1971.

[*English*]

CANADIAN LIBERATION MOVEMENT—DIRECTORS AND MEMBERS

Question No. 597—**Mr. Robinson:**

Will the government advise the names of the Directors and Members of the Organization that opposed President Nixon's visit: «Canadian Liberation Movement», Box 41, Station E, Toronto 4, Ontario. Telephone: 964-1174.

Hon. Jean Pierre Goyer (Solicitor General): The following names are known to the Government: Executive: Gary Perley, Barry Lord. Spokesman: Larry Haiven. Editors: Gail Dexter, Caroline Perly. Members: Greg Keilty, Vicki Postl, Danny Drache, Dawn Aspinal, Bill Postl, Larry Michailuc, Dave Lurner, George Haggar.

LIP—CENTENNIAL PROJECTS FOR QUEBEC PARISHES

Question No. 619—**Mr. Lambert (Bellechasse):**

Have projects been submitted under LIP to help organize centennial celebrations of Quebec parishes and, if so, (a) what are the projects (b) what parishes are involved (c) what projects were accepted?

[*Translation*]

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Records of all projects submitted are not maintained by the Local Initiatives Program under such categorical listings as "projects to organize centennial celebrations of Quebec parishes". A file search of active LIP projects reveals that: (a) no such projects can be identified; (b) parishes cannot be identified; (c) no such projects would seem to have been accepted.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

GOVERNMENT AGENCIES AND DEPARTMENTS—CHANGE OF NAME

Question No. 133—**Mr. Coates:**

1. How many agencies of government have had a name change since June 25, 1968, and in each instance, what was the former name and what is the present name?

2. What has been the cost to the federal treasury of eliminating stationery and other such matters associated with the operation under the former name and what has been the cost of replacing such necessary requirements of these agencies under their new names?

Return tabled.

Mr. Knight: On a point of order, Mr. Speaker, may I bring to the parliamentary secretary's attention question No. 525 of April 25. Would he look into the matter of having that question answered?

Mr. Jerome: I will do so, Mr. Speaker.

Motions for Papers

MOTIONS FOR PAPERS

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion for the production of papers No. 50 is acceptable to the government.

CONTRACTS DEALING WITH PUBLICITY FOR DEPARTMENT OF LABOUR

Motion No. 50—**Mr. Nystrom:**

That an Order of the House do issue for copies of all contracts dealing with publicity and/or information entered into by the Department of Labour (including the Unemployment Insurance Commission) in the fiscal years 1970-71 and 1971-72.

Motion agreed to.

Mr. Jerome: Mr. Speaker, would you be so kind as to call notice of motion No. 12.

COPY OF FEASIBILITY STUDY COMMISSIONED BY AIR CANADA REGARDING CONSOLIDATION OF RESERVATION OFFICES IN CANADA

Motion No. 12—**Mr. Orlikow:**

That an Order of the House do issue for a copy of all papers including the Feasibility Study commissioned by Air Canada in respect to the consolidation of reservation offices of Air Canada in Canada, including estimates as to the savings to be made by the Company, the reduction in staff complement, etc.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I move the motion on behalf of the hon. member for Winnipeg North.

[*Translation*]

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, this motion was dealt with in the last session. It was explained at that time that the feasibility study requested relates to an aspect of Air Canada's internal operation. The report is considered privileged. In these circumstances, the hon. member may be willing to withdraw his motion.

An hon. Member: Agreed.

[*English*]

Mr. Knowles (Winnipeg North Centre): Question.

Mr. Jerome: Transfer for debate.

Mr. Speaker: Transferred for debate. Shall the remaining notices of motions stand?

Some hon. Members: Agreed.

Mr. Howard (Skeena): Mr. Speaker, on two or three occasions I have raised the matter of notices of motions for the production of papers Nos. 52 to 55 inclusive which relate to correspondence and documents regarding the possibility of assistance being given for the building of a fish processing plant in the vicinity of Prince Rupert, B.C. With the sad event last week in which another cannery and part of the waterfront of Prince Rupert were destroyed by fire, these motions take on even more signifi-

cance. The parliamentary secretary has committed himself on two occasions that he would deal with them expeditiously. I wonder whether he could explain what he meant by that?

Mr. Jerome: Mr. Speaker, I do not recollect that that was my choice of language. I did say that we were having difficulty in answering some of these. There was a series of five which the hon. member put forward. We also indicated to him that another notice of motion for the provision of documents which he tabled will be dealt with next Wednesday. We are trying to do as much of this as we can in the time available and will continue to do so.

ORAL QUESTION PERIOD

LABOUR RELATIONS

QUEBEC—LONGSHOREMEN'S STRIKE—POSITION OF MINISTER REGARDING INTERVENTION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Labour with regard to the dock strike in Quebec. Can the minister inform the House whether he has personally intervened in the Quebec dockworkers strike? If so, can he indicate what action he has proposed?

Hon. Martin P. O'Connell (Minister of Labour): No, Mr. Speaker, I have not personally intervened in the sense that the Leader of the Opposition probably means. I have on repeated occasions urged the parties to do that which they are obliged to do having regard to their obligations to each other, their obligations to the port and their obligations under the law. That kind of intervention I have indeed pursued vigorously.

Mr. Stanfield: Does the minister feel that there is no position that it is appropriate for him to take other than to urge compliance with the agreement that exists between management and the dockworkers? Is it the position of the minister that the strike must continue with the government standing by except for urging compliance with the agreement?

Mr. O'Connell: Mr. Speaker, there is more than compliance with the collective agreement involved: the law must be complied with. I am placing myself in the position of urging that position on the parties. I go beyond that and say that for the long-term interests of the docks and the long-term interests of the port of Montreal, in which we are all vitally interested, the two parties must come to a mature position of honouring their agreement for the public interest as well as their own. If we permit them some escape from their obligation, the long-term interests of the port of Montreal will not be well served.

Some hon. Members: Hear, hear!

Mr. Stanfield: In view of the fact that the country is being very ill served by the strike, which has been described as calamitous by the president of the Wheat Board and is costing millions of dollars, is the Minister of Labour not prepared to intervene personally and actively with a view to bringing about a situation that he regards as necessary for the long-term health of the docks and the industry associated with it in Montreal and other ports in Quebec?

Mr. Speaker: Order, please. It seems to me this is essentially a repetition of the first question asked by the Leader of the Opposition. Perhaps for the moment we might allow the hon. member for York South to ask a supplementary.

Mr. Stanfield: A supplementary question, Mr. Speaker. My question to the minister is simply this: Is he not prepared to intervene actively, personally, in order to bring about the result he says is essential and desirable rather than simply stand up here and preach?

• (1420)

Mr. Speaker: Order, please. The hon. member for York South.

QUEBEC—LONGSHOREMEN'S STRIKE—USE OF ARBITRATION PROCESS

Mr. David Lewis (York South): Permit me to say to the minister that I appreciate his position in connection with the need to observe the collective agreement as well as the law. But may I ask him to inform the House whether either of the parties has declared itself ready to use the arbitration machinery provided for in the collective agreement? As I understand it, not only is there provision for arbitration machinery but a panel of arbitrators has actually been named, headed, if I remember correctly, by Judge Gold. Has either of the parties agreed to use that arbitration machinery and, if so, why is it not doing so as it has to do under the law?

Hon. Martin P. O'Connell (Minister of Labour): Yes, Mr. Speaker. The Maritime Employers' Association has expressed its willingness to arbitrate. It has, however, not initiated the proceedings. The International Longshoremen's Association has put its position somewhat in this fashion, that it is open to the other party to initiate proceedings but the longshoremen do not themselves wish to initiate these proceedings. But their own agreement provides that either party may begin arbitration proceedings. It is not enough to express willingness; one must take action.

Mr. Lewis: In view of the provision in the agreement and, if I remember correctly—I have not looked at it for a long time—the provision in the relevant section of the act that either party may initiate arbitration proceedings, and in view of the fact the employers have said they are willing to go to arbitration, may I ask the minister, first, whether the employers are demanding as a condition of going to arbitration a prior commitment on the part of the union that it will accept the arbitration award, as it is required to do by law in any event, and, second, whether the expression of willingness on the part of the employers does not open the door for the minister to enter and make sure that they write the necessary piece of paper which would start the procedure?

Mr. O'Connell: They do not need a piece of paper. The grievance procedure does not call for the other party in the dispute to make any prior commitment as to the result, and it is not proper, in my view, for one party to anticipate either the nature of an award or the posture the other party might adopt.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The Chair will recognize the hon. member for York South on a further supplementary and then the hon. member for Témiscamingue for a following supplementary.

Mr. Lewis: I could not agree more with what the minister has just said. Therefore the employers are obviously playing some kind of game in failing to initiate—

Mr. Speaker: Order, please. This is debate. Perhaps the hon. member would now ask the supplementary.

Mr. Lewis: I was about to do so, Mr. Speaker. This is the reason for my question. In view of the fact the employers have no right to anticipate either the result of the award or the posture of the union if the award goes against it, is it not the minister's duty to make sure, now, that the arbitrator under the collective agreement is appointed? Has he not the authority to appoint an arbitrator and start the arbitration proceedings going?

Mr. O'Connell: There are two aspects of that question to which I ought to reply. First, I would not follow the hon. member in laying the onus entirely on the employers. The Longshoremen's Association is as much in violation of the agreement and the law as are the employers. They, too, if they are aggrieved, ought to initiate proceedings. As to the second point, I do not have the authority under the law or, of course, under the terms of the collective agreement to appoint an arbitrator. I would point out that the two parties themselves appointed the arbitrators and that four arbitrators are named in the agreement. The initiative falls on one or the other of the two parties. They each have the obligation.

Some hon. Members: Hear, hear!

[*Translation*]

QUEBEC—LONGSHOREMEN'S STRIKE—REQUEST THAT MINISTER INTERVENE TO SECURE COMPLIANCE WITH COLLECTIVE AGREEMENT

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a supplementary.

I have just arrived from Montreal where I appeared this morning on a television program and I was asked by longshoremen, over the telephone, to invite the minister to intervene in their dispute. Does the minister recognize that, first of all, the provisions of the present collective agreement have not been respected by shipowners, computers, which were to be introduced only as from September, having been put into operation earlier, actually in May? Is the minister prepared—I believe he has the power to do so—to intervene in order that at least the provisions of the collective agreement be adhered to?

[*English*]

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, the collective agreement provides the means for resolving that dispute. The minister is not in a position to resolve the dispute for the parties.

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I have a supplementary question for the minister. Is it not a fact that under the collective agreement it is the grieving party that must start the arbitration proceedings? In this case—

Mr. Speaker: Order, please. The hon. member might like to rephrase his question. First, he might resume his seat. I do not want to interrupt the hon. member for Notre-Dame-de-Grâce, but when a question is prefaced by "is it not a fact" that such and such is the situation, that is clearly argument. It seems to me that the last questions have clearly gone from questions to argument between the minister and hon. members. I would think that we should try to return to the question period and perhaps after a while recognize an hon. member on the next question. For the moment the Chair recognizes the hon. member for Notre-Dame-de-Grâce.

Mr. Allmand: On a point of order, Mr. Speaker, I feel that the hon. member for York South was argumentative and put to the House something that was incorrect.

Mr. Speaker: Order, please.

[*Translation*]

QUEBEC—LONGSHOREMEN'S STRIKE—ALLEGED REFUSAL OF DEPARTMENT TO ALLOW SHIPPERS TO SUE UNIONS

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to put another question to the Minister of Labour.

Can he tell us whether his department has denied shipowners the right to prosecute the unions for calling an unlawful strike?

[*English*]

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, the last part of the question escaped me, I regret to say. I wonder whether the hon. member would kindly repeat it.

[*Translation*]

Mr. Rondeau: Mr. Speaker, I would like to know whether it is true that his department has denied shipowners the right to prosecute the unions for calling an unlawful strike.

[*English*]

Mr. O'Connell: Yes, Mr. Speaker, the Maritime Employers Association did at an earlier point request consent to prosecute. At that time I declined on the ground that other remedies more rapid than a court proceeding were available to them.

Mr. Speaker: Order, please. As hon. members recognize, we might go on for the whole question period on this subject. For the moment the Chair will again recognize the hon. member for Shefford, and then the hon. member

for Prince Edward-Hastings who seems to be very worried that he may not have a chance to ask a question.

[*Translation*]

QUEBEC—LONGSHOREMEN'S STRIKE—PROPOSED MEASURES TO SETTLE DISPUTE

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, could the minister tell the House what remedial measures he would suggest to conclude an agreement as quickly as possible, since he has just admitted that there are other remedies?

[*English*]

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, I cannot add further to the responses I have given this afternoon.

Hon. George Hees (Prince Edward-Hastings): I have a supplementary question, Mr. Speaker. In searching for a means by which the minister might be able to be of assistance in bringing this disastrous strike to an early and satisfactory conclusion, has he conferred with his predecessor who once described himself as the "Babe Ruth of the bargaining table" so that he might try to make a few hits himself in this important matter?

Mr. Speaker: Order, please.

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ENVIRONMENTAL AFFAIRS

STOCKHOLM CONFERENCE—CANADIAN POSITION ON RESOLUTION TO BAN NUCLEAR TESTING—FURTHER STEPS TO OPPOSE PROPOSED TESTS BY FRANCE

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, in the absence of the Secretary of State for External Affairs perhaps I might direct my question to the Prime Minister. It concerns Canada's posture at the Stockholm conference in abstaining on the resolution banning nuclear testing. Does this indicate a new policy and does the government or the minister intend to announce a new policy in light of Canada's abstention on this very important issue?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think I can answer the question on behalf of the Secretary of State for External Affairs. The abstention was in committee at a preliminary stage of the resolution. The reason for it was that the Canadian delegation, after consultation among its members and with Ottawa, found the resolution could be improved by not being directed at one country in particular but by expressing more thoroughly Canada's opposition to all forms of nuclear testing. It is because this type of amendment was not brought into the resolution that we indicated some dissidence at the committee stage but, as the minister has said publicly, if no amendments are brought forth we still intend to vote for the resolution in the plenary session.

• (1430)

Mr. Rose: Mr. Speaker, I thank the Prime Minister for his explicit response. In view of that response and Canada's action in sending a note of protest against the proposed French south Pacific tests, does the government intend to take further steps to oppose the forthcoming tests in the south Pacific scheduled for this summer?

Mr. Trudeau: Mr. Speaker, as I said a moment ago, when the question is before the plenary session, if it has not already reached it, we will of course vote for the resolution. That is one further step that comes to mind immediately. I have no other that I can indicate at this time.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, was the government of Canada consulted before the decision was made to abstain on the interim resolution? Were instructions given by Ottawa?

Mr. Trudeau: Mr. Speaker, I know there was consultation between the delegation in Stockholm and the Department of External Affairs here. I cannot say that instructions were given. It was not a matter that was raised at the cabinet level. But the officials, the Secretary of State for External Affairs, and the Minister of the Environment have great experience in these things and they took what was the best tactical position in order to further our aims at the conference.

* * *

[*Translation*]

EXTERNAL AFFAIRS

REPERCUSSIONS FROM VISIT OF RENÉ LÉVESQUE TO FRANCE—POSITION OF GOVERNMENT

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the right hon. Prime Minister who must know that René Lévesque is now in France.

A morning paper reports what a French official said, who calls Mr. Lévesque "Mr. President" and expresses the wish that Quebec separate from the rest of Canada indicating that France would support him completely.

Does the Canadian government intend to make representations to the French authorities with regard to the attitude of that French official?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I know nothing about that story, but should it be as the hon. member has just told us, it seems to me it would be improper for the federal government to worry about what an unknown civil servant might be saying in France.

Mr. Caouette: Mr. Speaker, I did not say "an unknown civil servant" but "a French official", a man who belongs to the French government and who calls Mr. Lévesque "Mr. President". It is also said that separatism is inevitable—

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

Mr. Caouette: Mr. Speaker, what I want to say requires a preamble, but that is done.

I therefore ask the Prime Minister whether the government intends to protest against that behaviour of a member of the French government who interferes in the

affairs of Canada, which are our business and not that of France?

Mr. Trudeau: Mr. Speaker, the hon. member knows how much we agree on the heart of the matter but, as I said, I am not aware of the statement to which he referred and I do not know who made it.

Mr. Speaker, I suppose that we could call Mr. Lévesque president of something even though this is not very important for us. So, I cannot very well see for the moment any cause for concern to the government, except that I think it would be a mistake to give too much publicity to a Canadian who travels in Europe, as he is perfectly entitled to do, in order to get votes there because he cannot find enough here.

Mr. Speaker: Order.

INSTRUCTIONS TO EMBASSIES CONCERNING VISITS BY LEADERS OF CANADIAN POLITICAL PARTIES

Mr. René Matte (Champlain): Mr. Speaker, I also wish to direct a question to the right hon. Prime Minister.

Does the government give special directives to its embassies when the leader of any political party of the federal or provincial scene visits foreign countries?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we do not issue special directives. I said a moment ago that all Canadian nationals who hold a Canadian passport—whether they are proud of it or not is another matter—are entitled to the services of their embassy if they so wish.

[*English*]

Mr. Speaker: Order, please. I will recognize the hon. member for South Shore on a supplementary question, but we should try to move on more quickly. Hon. members will appreciate that we have not yet completed the first round of questions. I would invite the co-operation of hon. members in limiting the number of supplementary questions, if we are going to make some progress.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a brief supplementary question for the right hon. Prime Minister on the subject of Canadian affairs. Having gone from the NDP to the Liberal party, does the blue carnation he is wearing today mean he is going to consider joining the Conservative party?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

* * *

YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—ALLEGED REFUSAL OF NAME AND ADDRESS OF LOCAL PROJECT CO-ORDINATOR

Mr. A. D. Hales (Wellington): Mr. Speaker, I should like to direct my question to the Secretary of State. In view of the fact I have been refused the name and address of the project co-ordinator of the Opportunities for Youth program in my area, information I require for reasons well known to the minister's office, I should like to ask whether this concealment of information is the result of a directive of the minister or some other member of his staff and, if not, could I be supplied with that information forthwith?

Mr. Speaker: Order, please. Perhaps the minister might reply, but I have some doubts about the kind of question asked by the hon. member. It seems to me that we will have a debate on this subject in a few minutes. I sometimes think that hon. members during the question period set foundations for the contribution they intend to make in the debate later during the day. Having said that, perhaps the minister might be allowed to reply.

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, the truth is that I did not conceal anything. I gave the telephone number and I do not know what more the hon. member wants. Apparently he has not had success with that telephone number. I tried it myself an hour ago and got all the explanation I wanted. The hon. member says the telephone does not ring or that it is not answered. This was not my experience.

Mr. Hales: Mr. Speaker, I rise on a question of privilege concerning the concealment of information brought about by the fact that a member of your staff refused to give me—

Mr. Speaker: Order, please. I am wondering whether the hon. member is addressing the Chair.

Mr. Hales: I am sorry, Mr. Speaker. I shall address the question to the minister through you. The fact is that a member of your staff refused to give me—

Some hon. Members: Oh, oh!

Mr. Hales: —a member of the minister's staff refused to give me the name and address of the project co-ordinator. He informed me he had received a directive that this information must not be given. My point of privilege, and it affects all hon. members, is that concealment of information should not take place. I ask the minister why this information is concealed from hon. members? It is well known that the information I want cannot be obtained in Ottawa and that it is easier to get it at the local level. However, we are not allowed to find out the name and address of the co-ordinator.

Mr. Speaker: Order, please. I suggest that if the hon. member has a question of privilege he ought to give notice in the usual way and the Chair would then rule whether privilege is involved. It seems to me the hon. member has asked a question and the Chair has allowed the minister to reply. If the hon. member has a supplementary question perhaps he might try to clarify the situation in that way but again I must remind hon. members that we are running short of time.

• (1440)

Mr. Hales: Mr. Speaker, my supplementary will be very brief. Will I be provided with the name and address of the project co-ordinator in my particular area?

Inquiries of the Ministry

Mr. Pelletier: Mr. Speaker, all I can say is that according to my information the hon. member has been provided with all the information, but apparently he cannot make any better use of it than he did the telephone number.

* * *

FINANCE

GRANT TO EDMONTON EX-CONVICTS SOCIETY—MISSING FUNDS—INTENTION TO PROSECUTE

Mr. William Skoreyko (Edmonton East): In view of the fact that the ex-convicts society in Edmonton, which received a large grant from the Secretary of State's department, has now revealed that approximately $10,000 is missing from that fund and that someone absconded with the money, is it the intention of the department to prosecute the guilty parties, if caught?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I am not aware of the case mentioned by the hon. member and I question quite seriously his allegations, but each time irregularities have crept into the management of a project—very seldom fortunately—order was restored, appropriations were cut off and even reimbursements were demanded.

* * *

[*English*]

GRAIN

WHEAT—SUGGESTED EXTENSION OF DELIVERY QUOTAS BECAUSE OF ALLEGED FAILURE OF RAILWAYS TO ALLOCATE BOXCARS TO MEET NEED

Mr. Bill Knight (Assiniboia): Mr. Speaker, I have a question for the minister in charge of the Wheat Board. In view of the fact that Canadian National and Canadian Pacific rail car allocation is not meeting the needs of the Wheat Board quota system, can the minister inform the House whether or not quotas will be extended so that rail cars may be properly allocated and farmers may meet their delivery requirements?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, as has been explained to the hon. member from time to time, the allocation of cars is handled effectively by the Canadian Wheat Board. So far as I know the railways have been meeting the requests of the Wheat Board for the spotting of cars. There are difficulties from time to time about the exact number of cars to meet total quotas and these are dealt with especially by a very effective Wheat Board.

Mr. Knight: In view of the fact that the last car allotted for durum at Crane Valley was on October 19, 1971, and that quotas will soon run out, would the minister consider extension of the quotas at least in the Weyburn block?

Mr. Lang: The Wheat Board had this matter brought to its attention and in the past they have handled it very effectively. If there is a special difficulty to which I should direct my attention I will be glad to do so.

[Mr. Hales.]

REQUEST THAT AVAILABLE SPACE IN COUNTRY ELEVATORS TAKEN OVER BY POOLS BE LISTED

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, in light of the fact that the pools have taken over many of the country elevators and there is no longer competition at many points, would the minister ask the Canadian Wheat Board to request elevator agents to list the amount of available space at these points, because there seems to be some discrimination against shippers who were formerly not pool customers? Will he ask the Wheat Board to list the amount of space at these particular points so that these people will have the same privileges as other customers of the pools?

Hon. Otto E. Lang (Minister of Justice): There have been thorough discussions between the Canadian Wheat Board and the various elevator companies in connection with the operation of the distribution of cars during the months of May, June and July. A satisfactory agreement was reached about the handling of this matter to ensure that every producer would have the opportunity to deliver grain to the elevator of his choice.

Mr. Korchinski: Mr. Speaker, I rise on a question of privilege. I happen to have had a different experience from that related by the minister. I ask him whether he will ask the Wheat Board, or will the Minister of Agriculture ask the Canada Grains Commission, to instruct elevator agents to list the amount of available space each day so that every customer may have an opportunity to deliver?

Mr. Speaker: Order, please. That is a representation on the part of the hon. member.

INQUIRY AS TO REFERENCE OF ANNUAL REPORT OF CANADIAN WHEAT BOARD TO COMMITTEE

Mr. J. H. Horner (Crowfoot): Mr. Speaker, my supplementary is for the minister in charge of the Canadian Wheat Board. Is he now prepared to refer the annual report of the Canadian Wheat Board to the Standing Committee on Agriculture so that answers to questions like this can be sought?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, reference of the report to the committee is on the order paper. I take it that discussions are going forward in the ordinary way about moving this recommendation forward. For our part we are ready to go ahead at any time.

Mr. Speaker: Again I wish to point out to hon. members that there are five or more supplementaries and perhaps 25 other members seeking to ask questions. There are just a few minutes remaining before the end of the question period. Hon. members who have questions that can wait until tomorrow should resolve right now that they should be postponed until tomorrow. The hon. member for Yorkton-Melville on a supplementary.

Mr. Nystrom: Mr. Speaker, my question is not a supplementary.

POSSIBILITY OF INCREASE IN INITIAL PRICES

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, in view of the continued decline of prices for wheat, barley and rapeseed and the disastrous effect this will have on the income of farmers in western Canada, I should like to ask the minister whether it is his intention to review and increase initial prices for the new crop year under the Canadian Wheat Board?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I should like first of all to reject the premise in the opening remarks. Declines in prices have not been continuing. Levels of prices have remained fairly constant in a number of grains to which the hon. member refers. There are, of course, periodic fluctuations in the case of rapeseed. There is certainly no intention to make any change at this stage in the initial prices.

Mr. Speaker: The Chair will recognize the hon. member for Vegreville on a supplementary, but we must try to give other hon. members an opportunity to ask questions.

OATS—INQUIRY AS TO FINAL PAYMENT FOR 1970-71 CROP YEAR

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my supplementary is directed to the minister in charge of the Wheat Board. On May 3 and again on May 31 I asked the minister about the status of the final payment on deliveries of oats for the 1970-71 crop year having due regard to the fact that a credit of $4.5 million appears in the pool account as indicated in the Canadian Wheat Board annual report. On one occasion he advised this could be discussed when the Wheat Board appeared before the committee, and on another occasion he advised that the information would be supplied to me. Can the minister provide further enlightenment on this subject?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I understand that the Canadian Wheat Board closed that particular oats pool effective May 19. It ordinarily takes approximately a month for it to finalize accounts. Before very long I should think the final cheques will be going into the mail.

* * *

[*Translation*]

EXTERNAL AFFAIRS

MEETING OF CULTURAL AND TECHNICAL CO-OPERATION AGENCY IN PARIS—ALLEGED MISUNDERSTANDING ABOUT SEATING ARRANGEMENTS FOR CANADIAN DELEGATES

Mr. René Matte (Champlain): Mr. Speaker, I would like to ask a question of the Secretary of State.

In view of the imbroglio at the Paris meeting of the directors of the Agence de coopération culturelle et technique, could the minister tell us if there were previous agreements in that connection between Quebec commissionner Yves Michaud and the Canadian delegate, Mr. Bissonnette?

Inquiries of the Ministry

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I am not aware of the particulars regarding the imbroglio mentioned by the hon. member, but I can assure him that an agreement was concluded between the federal government and the provincial government of Quebec to the effect that the delegates of each government could occupy the two seats provided for Canada on the board of that agency.

* * *

[*English*]

TRANSPORT

ATLANTIC PROVINCES—FEDERAL ASSISTANCE TO TASK FORCE ON TRANSPORTATION ANNOUNCED BY PREMIERS

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Minister of Transport but in his absence I will direct it to the Prime Minister. In view of the meeting yesterday of the maritime council of premiers at Charlottetown and their decision to establish a task force on transportation, and in view of the soon to be implemented further freight rate increases, does the Prime Minister know whether the Minister of Transport has been in touch with the Maritime premiers and has indicated whether or not some assistance, both financially and in terms of information, will be provided so that this important task force can be effective?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I can say the minister has been in touch recently with some Maritime premiers. I cannot answer the last part of the question, but I am sure the minister will give it consideration when he returns from Toronto.

Mr. MacDonald (Egmont): Mr. Speaker, in view of the fact that yesterday the Minister of Transport undertook to contact the Atlantic premiers, and also in view of the fact there has been an expressed inability to acquire sufficient information on transportation problems within and to the Atlantic region, would the Prime Minister undertake to contact the Atlantic premiers so that such information might be available to them?

• (1450)

Mr. Trudeau: Mr. Speaker, I am frequently in contact with the Maritime premiers. We exchange telephone calls and visits, and I am sure that if they have something to raise with me they will do so immediately.

* * *

NATIONAL DEFENCE

USE OF ARMED FORCES PERSONNEL IN SEARCH FOR BOY LOST IN BUSH NEAR CALABOGIE, ONT.

Mr. Murray McBride (Lanark-Renfrew-Carleton): Mr. Speaker, I wish to direct a question to the Minister of National Defence. Does the Department of National Defence make Canadian Armed forces personnel and equipment available for search and rescue operations within the province of Ontario, as requested by the

Ontario Provincial Police, and, if so, can the minister assure the House that every possible assistance is being offered by the Canadian Armed Forces in the search for five year old Adrian McNaughton, lost since the evening of June 12 in dense bush near Calabogie, Ontario?

Hon. E. J. Benson (Minister of National Defence): Mr. Speaker, we have a helicopter and over 100 servicemen taking part in this search. We are willing, of course, to give all the help we can.

* * *

PUBLIC SERVICE

USE OF FORM LETTER BY COMMISSION TO NOTIFY APPLICANTS OF ERROR IN STARTING SALARY QUOTED

Mr. A. C. Cadieu (Meadow Lake): Mr. Speaker, I wish to direct a question to the Secretary of State. Why is it necessary for the Public Service Commission to have a form letter to notify recruits that an error has been made in the starting salary quoted?

Mr. Speaker: Order, please. It seems to me that that question might be placed on the order paper. If this is a matter of urgency, which is not obvious at least to the Chair, it might be considered at the time of adjournment.

Mr. Cadieu: Mr. Speaker, my supplementary question would be: how many such errors have occurred in the past six months where the salary quoted has been downgraded?

Mr. Speaker: Order. I am not saying the matter is not important—I am sure it is—but the supplementary seeks statistical information and I would urge the hon. member to consider the advisability of placing the question on the order paper or giving notice to the Chair to discuss the matter at the time of adjournment.

* * *

GRAIN

ECONOMIC VIABILITY OF UNIT TRAINS FOR SHIPMENT—REQUEST FOR CLARIFICATION OF STATEMENTS

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a question for the Minister of Agriculture. With reference to my proposed motion under Standing Order 43 of a few minutes ago, will the minister make a full statement on motions as soon as possible to clear up what appears to be a serious credibility gap between statements he has made recently with respect to the economic viability of the unit grain train experiment and the answer given to me by the Parliamentary Secretary to the President of the Privy Council on May 24 as found on page 2502 of *Hansard*?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I do not believe there is a credibility gap between those two answers. I will give the hon. member an undertaking to make a statement in the House. We are undertaking some pilot projects and when we have the results there will be some useful information to give to the House.

[Mr. McBride.]

Mr. Southam: Can the minister assure the House that if there are any increased costs because of the trucking of grain to inland terminals the farmers, directly or indirectly, will not have to bear the cost of these experiments?

Mr. Olson: Mr. Speaker, in the announcement of the experiments it was made clear that we were participating financially.

Mr. Speaker: The hon. member for Surrey-White Rock.

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, I had a question I wanted to ask the Minister of the Environment, but in his absence may I direct it to some British Columbia minister or related minister?

Mr. Speaker: Order, please. Perhaps the hon. member might give that some consideration. For the moment I will recognize the hon. member for Waterloo.

* * *

YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—REQUEST THAT PERSONS EMPLOYED BE ALLOWED TO CONTRIBUTE TO UNEMPLOYMENT INSURANCE FUND

Mr. Max Saltsman (Waterloo): Mr. Speaker, I would like to direct a question to the Secretary of State. In view of the discouraging employment figures for the young and the projections that unemployment will continue to be a serious problem for them, is the minister giving consideration to permitting young people working under the Opportunities for Youth program to pay into the unemployment insurance fund so they can collect unemployment insurance benefits when their projects no longer exist?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, the people whose projects are subsidized within the framework of the Opportunities for Youth program must be compared to independent entrepreneurs. They are involved in carrying out a task for which they receive a grant. As far as the provincial laws, the minimum wage or other matters are concerned, they are dealt with by the promoters of these projects and have nothing to do with the program itself.

[*English*]

Mr. Saltsman: As a supplementary—

Mr. Speaker: Order, please. Perhaps we might spend the last two minutes of the question period on supplementaries. We will reach the end of the question period very soon.

Mr. Saltsman: In view of the fact the government is paying these young people salaries, is the Secretary of State now prepared to remove their designation as self-employed, which is a legal fiction?

Mr. Speaker: Order. The hon. member for Oxford.

OPPORTUNITIES FOR YOUTH AND LOCAL INCENTIVE PROGRAMS—ACTION IN THE EVENT MONEYS EXPENDED NOT ACCOUNTED FOR

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I wish to direct a supplementary question to the Secretary of State and also the Minister of Manpower and Immigration. With respect to the Opportunities for Youth program and the LIP program, is it necessary that those in charge of the various projects keep accounts, keep track of the moneys that are expended, and if the moneys cannot be accounted for what happens to the people concerned?

Mr. Speaker: Order, please. That question, it seems to me, should be placed on the order paper.

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REGIONAL ECONOMIC EXPANSION

NEWFOUNDLAND—ACTION ON RECOMMENDATIONS IN ATLANTIC DEVELOPMENT COUNCIL STUDY

Mr. James A. McGrath (St. John's East): Mr. Speaker, I wish to direct a question to the Minister of Regional Economic Expansion. What action is he taking on the recommendations put forward in a special study commissioned by the Atlantic Development Council on the failure of the Regional Development Incentives Act in Newfoundland and how to make Newfoundland more attractive under that act? This question is particularly appropriate in view of the fact the recent unemployment figures for May show that the province of Newfoundland still lagging behind the rest of the country—

Mr. Speaker: Order, please. The hon. member has asked a question and the minister might be allowed to reply.

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I am just back from Newfoundland. I have been in the Burin peninsula and the programs of my department there were very successful.

Some hon. Members: Hear, hear!

Mr. McGrath: Has the minister received this study from the Atlantic Development Council, and what action does he propose to take on the recommendations contained in the study?

Mr. Marchand (Langelier): Mr. Speaker, I have received the report. There are some parts of the report with which we agree and some with which we do not agree, and we are acting on it.

Mr. MacDonald (Egmont): I have a supplementary to the previous question.

Mr. Speaker: Order, please. Perhaps the House will allow the hon. member for Egmont to ask a supplementary but we have reached the end of the question period. I must apologize to hon. members who have not had a chance to ask their questions today.

Inquiries of the Ministry

YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—POSSIBILITY OF FURTHER FUNDING

Mr. David MacDonald (Egmont): Mr. Speaker, yesterday I put questions to the Prime Minister in terms of possible further funding of these special programs in view of the high rate of youth unemployment, and the Prime Minister said it was a constructive suggestion and was under consideration. Could the Secretary of State say whether in fact this matter is being seriously considered, and in view of the shortness of time whether there might be an announcement in the next few days?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, this is obviously a matter that does not fall within the purview of my department, but of the government as a whole.

[*English*]

Mr. MacDonald (Egmont): On a point of order, Mr. Speaker, the question was directly with regard to the special program known as Opportunities for Youth for which the minister does have responsibility. Perhaps he did not fully understand my question. It was with regard to possible potential further funding in view of the very high rate of youth unemployment.

Mr. Pelletier: Mr. Speaker, that is what I said, that potential higher funding is in the hands of the government, not of the Secretary of State.

Mr. Speaker: Orders of the day.

Mr. Baldwin: Mr. Speaker, I rise on a point of order. At considerable personal self-sacrifice I have had consultations with the other House leaders and it has been suggested that we might cut down the length of speeches on the supply motion today to 20 minutes each for the mover of the motion and the first speaker on the government side and 15 minutes for all other speeches. I think there is a general disposition to accept that. It might add to the quality of the debate and provide more opportunities for hon. members.

Mr. Knowles (Winnipeg North Centre): Yes, Mr. Speaker, we agree.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, we all agree.

[*English*]

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: As there is unanimous agreement it will be so ordered.

Information on Government Business

• (1500)

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED FAILURE OF GOVERNMENT TO PROVIDE ADEQUATE INFORMATION WITH REGARD TO PUBLIC BUSINESS

Mr. G. W. Baldwin (Peace River) moved:

This House, conscious of the failure of the Government to keep the Canadian people and Parliament adequately informed, urges that steps be taken by legislation and otherwise to provide clear rules for freedom of information with regard to public business.

He said: Mr. Speaker, because of the lack of time I shall deprive myself of the opportunity of giving by chapter and verse the many situations where the government has failed to provide to members of this House the information to which they are entitled. The lacklustre and sorry performance today of hon. gentlemen opposite, from the chief offender down, gives undoubted corroboration to the motion I have put before the House.

Some hon. Members: Hear, hear!

Mr. Baldwin: Mr. Speaker, if one looks at the written questions, one will find that a large percentage of them are questions which have been on the order paper for more than two months. If one looks at the requests for production of documents, one will find that many of them have been on the order paper for three months or more. If one listens to the questions asked by hon. members in the opposition and hears the alleged answers given by hon. members in the cabinet, the most objective, independent and impartial observer must conclude that there is a great need for this motion.

Today, Mr. Speaker, the hon. member for Wellington (Mr. Hales) placed before the Secretary of State (Mr. Pelletier) an oral question with a preamble which I think illustrated my point. In the preamble, the hon. member stated that somebody in the department had followed the instructions given to him. Following a request that the name of the program co-ordinator for an Opportunities for Youth program be made available the hon. member was told, and the House must accept this, that instructions were given by a very high source that such information was not to be given to a member of this House, acting either for himself or the people of his constituency. This is the kind of performance, Mr. Speaker, which makes it essential to put this motion.

In addition, I have in my hand a copy of an Order in Council dated May 4, 1972 which reads as follows:

His Excellency the Governor General in Council, on the recommendation of the Prime Minister, pursuant to section 34 of the Broadcasting Act, is pleased hereby to appoint Mr. Laurent Augustin Picard to be President of the Canadian Broadcasting Corporation, to hold office during good behaviour for a term of seven years, effective August 1, 1972, and to fix his salary at the rate set out in the schedule hereto.

The schedule is attached and provides for an annual salary of $60,000 but in front of that Order in Council there appears the following statement:

The Specific Salary of any person named in the attached Order in Council is Confidential information. It must not be divulged to unauthorized personnel. Please attach a copy of this notice to any duplicate which you may make of the Order in Council.

Is this the kind of freedom of information we are going to have in this country, under which mundane matters such as the salary of an official of a public corporation is to be considered an official secret, bound by the provisions of the Official Secrets Act? We have come to a sorry pass in this democratic country if not only members of this House but the public who pay the taxes from which is derived the salary of the President of the Canadian Broadcasting Corporation or the head of any public body, are not allowed this information. This is a pretty sad state of affairs and it is something which must be examined.

Some hon. Members: Hear, hear!

Mr. Baldwin: Mr. Speaker, the very fact that I found it necessary to put this motion is proof that need exists; the very fact that the public is unable to secure the information it wants; the very fact that hundreds of written questions are not answered or are not answered adequately; the very fact that oral questions are not answered adequately or properly or are stone-walled by a minister's answer, these examples are all proof that something must be done. The performance of the Prime Minister (Mr. Trudeau) and members of his cabinet with regard to providing information to the public is shoddy and discreditable. Accepting this assumption, what I seek to do by this motion, and by steps I have taken on behalf of this party in the past, is to reverse the existing process.

Today, anyone seeking information from the government must go, hat in hand, saying "Please, kind sirs, will you provide these facts to us?" If the government thinks it is right to do so it will say "Yes, you are good boys and we will let you have this particular fact or produce this particular document for you." What I seek, Mr. Speaker, is to reverse that process and show that there is and must be at all times an obligation upon the government to furnish to the people of Canada, to the media, to members of this House and the other place, information which they request as well as documents.

Some hon. Members: Hear, hear!

Mr. Baldwin: I will be the first to admit that there must be exceptions to this. Obviously, in cases involving such things as national security where the statutes provide that certain information or documents shall be exempt—and a government always has this remedy, to pass a statute to exempt information—or where an investigation with regard to a criminal offence is taking place or in income tax matters, I readily accept the proposition that these should be exempt. Having said that, Mr. Speaker, I contend that there is still ample room for an act on the statute books of this country to provide for the right of the public to information concerning public business.

Two years ago I proposed a private members public bill. I put it back on the order paper this session in order to question members of the government, from the Prime Minister to the Minister of Finance (Mr. Turner) and the Minister of Justice (Mr. Lang) with regard to a bill of this kind. The bill is simple. Clause 3 reads as follows:

Any Canadian, or any person not being a Canadian who resides in Canada, may apply to the government for a record made in the course of public business and the government shall, within a reasonable time thereafter, provide a copy of such record to any person who so applies or make such record available for inspection by him.

The bill provides for exceptions and there is a further provision that if the document is not made available a member of the public could apply to a court for an order that the document be furnished. On a hearing, it would be competent for the government to plead that such a document fell within the exceptions. I am not taking the position that these details are things which are absolutely essential. Any bill which may be passed must conform strictly to this general principle but, of course, there is room for change. Before this debate is concluded I should like to hear from some member on the government side that they are prepared to consider that a measure of this kind or a white paper or the subject matter, should be referred to a committee for consideration.

• (1510)

As I said, I simply propose to change the burden of proof. Responsibility must fall on the government to justify its refusal to furnish any information or document. Surely all members can accept this. Important people in various organizations have accepted this proposition.

I noticed the following statement which appeared in Volume 1 of the Report of the Task Force on Government Information:

There were two other conclusions or, rather, principles that were basic to our thinking, and we suggest them as the very cornerstone of a new policy on information. They are that, the Government has an obligation to provide full, objective and timely information; and that the citizens have a right to such information.

Do any hon. members opposite disagree with that proposition? If so, before the debate ends I hope they will stand up and say so.

I have before me an excerpt from something a distinguished Canadian wrote in 1964. In part, it reads:

Democratic progress requires the ready availability of true and complete information. In this way people can objectively evaluate their government's policies. To act otherwise is to give way to despotic secrecy—

I am sorry the Prime Minister (Mr. Trudeau) was not listening. He was closely involved with the writing of those words. Would he like me to repeat them?

Mr. Trudeau: Yes, read that again.

Mr. Baldwin: If he identifies these words, he may claim to be their author. I repeat what was said in 1964 by this distinguished Canadian who had not yet risen to his present position in this House:

Domestic progress requires the ready availability of true and complete information. In this way people can objectively evaluate their government's policies. To act otherwise is to give way to despotic secrecy—

Mr. Trudeau: That is why we created Information Canada.

Mr. Hees: But the government has given way to despotic secrecy.

Mr. Baldwin: Ah, Mr. Speaker, how the author of those words has been seduced by four years in power as Prime Minister!

Mr. Hees: Hear, hear!

Mr. Trudeau: We set up Information Canada, did we not?

Mr. Baldwin: I will now refer to a speech made on May 21, 1970 by the previous minister of justice who now has been promoted—a term I use with trepidation—to the position of Minister of Finance (Mr. Turner). Speaking to the Conference on Computers, Privacy and Freedom of Information, held at Queen's University from May 21, to May 24, 1970, the hon. gentleman said:

—the right to know is fundamental to any participation in democracy. The public cannot be expected to dialogue—still less decide—meaningfully if it is refused the very information which would make such a dialogue and decision-making possible.

What is necessary, then, is a Freedom of Information Act entitling the individual to information which the government authority has arbitrarily seen fit to withhold.

The minister said later in that speech, "... the criteria for non-disclosure should be set forth publicly in the statute ... ".

I tried to take the minister's advice. I brought forward a bill which incorporated views and thoughts I had held and expressed publicly in this House, hoping the then minister of justice would support my bill and that the Prime Minister would forget partisan politics and say, "Yes, this is a good bill; we will support it and adopt it as a government bill."

Mr. Trudeau: It was badly drafted. The hon. member should go back to the drafting table.

Mr. Baldwin: I questioned members of the government about this matter. On June 28, 1971, following the report which had been made by the Science Council of Canada, I directed the following question to the Prime Minister:

In light of the charges made in the report by the Science Council of Canada to the effect that the Canadian people are being deprived of access to certain information, will the Prime Minister ensure that that information is made public and certainly available to the Science Council of Canada?

The right hon. gentleman said he was not aware of the charge and would look into it. I then asked the Minister of Justice of the day if he would support the principle of Bill C-250, the bill I mentioned just now. The minister said:

I share the objective of the hon. member, as he knows, Mr. Speaker. I should like to thank him again for his help on the Statutory Instruments Act—

That act had nothing to do with my question. This shows in what manner, when we attempt to bring before members of cabinet legitimate and proper proposals, we are sloughed off, as it were.

Earlier that year, on September 27, 1971, I directed the following question to the then Minister of Justice:

In light of the very strong recommendation in the report of the Economic Council of Canada that the government should proceed as quickly as possible to clarify the rights of the public to access to public information without bureaucratic or political strings, is the government planning to bring in a bill to this effect?

There was no answer at all. In light of these facts and this record, it is high time this question was considered by this House, by the country and by the media. We need legislation in this field. The Official Secrets Act ought to be modified. I have lost hope for this government, the members of which were spawned in a bureaucratic muskeg. This is a government of bureaucrats, run by bureaucrats for bureaucrats. So far as we are concerned, it will take an election and a new government to rectify the matter.

Some hon. Members: Hear, hear!

Mr. Baldwin: The right hon. gentleman said something about Information Canada. Mr. Speaker, Information Canada has been set up. I point out that there are some gems to be found in the report of the task force which ultimately was instrumental in the development and establishment of Information Canada. This organization was conceived in an establishment orgy of confusion and dissimulation. It was born in an atmosphere of political controversy and double talk. There is no hope for Information Canada. Even the Secretary of State for External Affairs (Mr. Sharp) who can usually, quite successfully surround, envelop and ultimately swallow issues of this kind was compelled to admit, under strong pressure, that Information Canada is not as valuable as it ought to be. That is strong language for that hon. gentleman. Consider, also, the Phillips report which was leaked. Mr. Phillips, the deputy director general of Information Canada, in the report said more or less what I have said: that, so far as Information Canada is concerned, it ought to go.

I see my time has about gone. May I address this question to hon. members of this House: in the light of what I have indicated, in the light of facts of which the government is well aware, does the government not think it is high time that, for the benefit of this House and the people of Canada who pay for the gathering of information, there should be embodied in the statute books of this land and in the practises of this House some rule, some law, which would enable the people of Canada to receive the information to which they are entitled and which is gathered for their benefit?

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, we, of the New Democratic Party, support the motion of the official opposition, for two reasons. First, we believe the people of Canada are entitled to full and clear information on how their business is being conducted by government. We do not think they are being given that full and clear information at the moment. Second, we believe that the methods the present government uses to disseminate government information are ineffective, costly, duplicative and carry with them this danger: They permit the government to give the public information about government, that is, information the government wants to give, rather than information the public would like to be given. No wonder the people of Canada and their representatives in this House are concerned about not obtaining full and clear information about the way their business, government business, is conducted by the federal administration. Consider the money involved alone, Mr. Speaker. In this place, we are the trustees of the spending of the public's $15 billion or $16 billion of tax dollars a year. The public is into a variety of enterprises and services ranging from the delivery of mail, the rubber business, the mining business, housing, highways and even movies and television.

• (1520)

There is one item that was approved in this House a few years ago. I refer to the decision to construct a National Arts Centre. That one decision cost every Canadian, man, woman and child, approximately $2.20. I am sure that most members of this place, as well as Canadians generally, approve of that decision, but I bring it up now to point out how one little item of government information can be of real interest to the taxpayers of this country.

The reason I am speaking for our party at this time is probably that I have a bill on the order paper, Bill C-98, which deals with secrecy and how to avoid it. The bill standing in my name relates to public access to government information. Aside from that, I am also very much interested in government information as a whole and the individual information services. I will say something about that a little later in my remarks. It sometimes seems to me that government information and government secrecy are interchangeable terms.

The present government has been spending millions of dollars getting out government information. For the most part, as far as I can judge, it is publicity about the government. It spends this money through various departments and agencies of government, many of which are staffed by good friends of mine. They are good fellows, former newpaper and public relations people. I know that in every case they are anxious to do a good job in their fashion, but they have to operate in line with today's set up of government information services.

A few years ago we received a report of a task force on government information. I want to emphasize that this was not a report by an opposition group or committee. This was a report by a government committee set up by the government. That report, as the hon. member for Peace River (Mr. Baldwin) has already indicated, strongly criticized the government for its failure to provide the information sought by Members of Parliament as representatives of the people of Canada.

It is a fact that at this moment there are many motions for the production of papers on the order paper. We are all familiar with the set phrases used by spokesmen for the government in denying members of this House information they seek on behalf of the public. The aim of the motions which we and other members put forward is to gain access to information which will reveal some very interesting facts to the voters and taxpayers of this country. It would reveal the basis of the decision of the government on matters of vital interest to the Canadian public because these decisions and the manner in which they are arrived at affect the lives and dollars of a great many of our people. To the extent we are denied that information, there is government secrecy.

At this point I wish to quote the explanatory note of the bill covering this area which I put forward on behalf of my party:

This bill is in aid of the public's right to know in what manner a government is administering the public duties entrusted and dele-

gated to it by the people: save for exceptions that are in the public interest the bill enacts Bentham's basic parliamentary Rule that public affairs must be conducted publicly.

I will not go into the details of the bill. My time is even more limited than that of the official spokesman for the official opposition. However, we have a bill which, if enacted or even sent to committee for approval, will result in a great gain with regard to opening the gates of government information to the representatives of the people here and the public. I wish to again refer to the task force report which was very critical of the government on this point. It pointed out that while the government was spending an estimated $3 million a week to provide publicity, largely to say how good the government and its agencies were, it withheld the basic facts that many people wanted to get at in the way of data and information which determines government decisions.

When Information Canada was established, it was set up partly to co-ordinate and improve the efforts of existing information sections in the various departments of government. The idea was that the cost of these services could be reduced and co-ordinated. In fact, Information Canada has become another layer of costly information while the departmental information sections remain in business and have actually increased their numbers and, in some cases, their costs. The situation is rather like that of a metropolitan council being set up in an area where there are a number of municipalities to co-ordinate and reduce the costs and do better planning for the whole area. In actual fact, with regard to Information Canada we have had another level of government information established. Actually, the costs of the various individual departmental and government information services have been increased rather than reduced since Information Canada came into being. Not many months ago, one of the officials of Information Canada indicated that unless Information Canada could find something useful to do, it would have difficulty justifying its expenditures.

In February, 1971, the government replied to some questions of mine with data which indicated that, despite the creation of Information Canada, most government departments were continuing to increase their staffs and salaries of their particular information branches. The government departments and agencies have increased their information staffs to 992. This is the individual sections of the individual departments. That was up from 900. They gained about 10 per cent since the advent of Information Canada. The staff of Information Canada in 1971 numbered 381. Today, the comparable figures are as follows. The staff members of individual information department sections have increased from a figure of 900 before Information Canada came into being to 1,091 today. The staff of Information Canada has jumped from 381 people in February, 1971, to 516 at this time.

When the second top official of Information Canada stated in a memo that that body had better find something to justify its existence, I asked the minister reporting for Information Canada what was the situation and what he proposed doing. He replied at that time, as I recall, that there was an overall look being taken toward improvement and organization. I see the minister is here today. He can correct me if I am mistaken. I said then, and I am still of the same opinion, that unless Information Canada and, indeed, some of the information agencies in the individual sections of those departments, can be straightened out, and I refer now to Information Canada, they should be wound up.

Without any thought of boasting, Mr. Speaker, I want to say this. As a former newspaper person, a man with some knowledge of advertising and publicity and perhaps a little knowledge now of politics, I can undertake to consult with anyone on the government side who is interested in saving the public of Canada a good many millions of dollars a year through an improvement in the coordination of Information Canada and its services and, without the loss of any essential information now being provided, perhaps even increased information going out to the people. Mr. Speaker, the function of handling government information or publicity is not being any better administered now than it was last year or, in my view, before Information Canada was established. The cost of Information Canada runs into many millions of dollars, and I am sure a good many of these millions could be saved without the public suffering any real loss in terms of the information available to them.

• (1530)

In conclusion, I wish to urge, first, that the government make available to the public, and in particular to the representatives of the public here in this house, the information which is really desired by them. I have indicated what kind of information this is. Second, the government should either wind up or straighten up Information Canada, and improve the effectiveness of the publicity sections now attached to the individual departments. Third, I urge the government to concur in the appointment of a committee, headed by an opposition member, to which representatives of Information Canada and of the various departmental information agencies could report from time to time. This would, I am sure, result in the public being far better served, and at a cost far less than they are presently paying for the information they are entitled to get.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, the motion submitted today by the official opposition reads as follows:

This House, conscious of the failure of the Government to keep the Canadian people and Parliament adequately informed, urges that steps be taken by legislation and otherwise to provide clear rules for freedom of information with regard to public business.

Mr. Speaker, this resolution is curiously similar to the statements we have heard in this House and from the public before Information Canada was created. If we judge only from this motion, we are led to conclude that Information Canada is a failure since this resolution urges the government to take new measures to give the people free access to information.

However, before the creation of Information Canada, one could read for insance in *Le Meunier québécois* of December 1970 this editorial by Mr. René Blanchard, and I quote:

—information is a public interest service.

In a sound democracy information must escape from ... the claws of a partisan politic power and from the powers of money represented by pressure groups.

Information is a right as are education and health. It is also a major branch of continued education.

I think that this editorial which was quite appropriate two years ago is still so today. And I quote again:

Through the written and spoken media each of us is in a position to keep up with the profound changes taking place throughout the world. Our newspaper is window on the world. It is therefore important that its panes be kept clear.

And God knows how often the panes are not so clear in our newspapers and news agencies.

But what can we do if information is to escape from monetary powers and political parties? ... means should be taken to prevent information from being treated as a commodity that is sold for profit or used to magnify prejudices and hatreds, to sustain personal or collective selfishness, to cultivate chauvimism, racism or class struggle. Every newspapers has a duty to be free, whatever the community it is intended for and it should be responsible for stating out the facts and events, explaining social trends, taking position against prejudices and demystifying them by unveiling to the public's eyes the mechanisms that are used to perpetuate them.

If the world today is at a loss and the old political recipes are still rehashed—

—and we in this corner of the House understand each other when we speak of old recipes—

—without relevance to contemporary problems ... It is surely because too many people are not free, free to act and, above all, to express their thoughts since they are prisoners of mercantile interests and government constraints.

We, of the Social Credit party, have repeatedly noted that information has, for a long time, been biased and this is why the government has set up a commission of inquiry which has published the first volume of a task force report on government information, has made a recommendations and instigated the creation of Information Canada. And no doubt it is to ensure that Canadians obtain a better quality of information that the government—to which we grant once more the benefit of the doubt—has established this agency.

• (1540)

But for the past two years, before analyzing the work of this new agency, Information Canada, we could also read an editorial of CFTM-TV, channel 10, Montreal, dated Monday, March 2, 1970, where the lack of information in Canada was denounced, and I quote:

—information within the federal government leaves to be desired from the viewpoint of efficiency; incoherence of information distributed among the numerous ministries, departments, and agencies of the government; overlapping in the use of personnel and material; blocking of communications in the various information services following the inevitable bureaucratic inertia ... Undeniably, citizens must be made aware of available services and told where and how to obtain them. So, it is desirable that Information Canada should address itself directly to the public—

I could say now that certain doubts that we had before the establishment of this agency, more than two years ago, have proved justified.

[Mr. Rondeau.]

I keep on with the quotation:

However, on account of the measures Mr. Trudeau's government intends to take to that effect, people are somewhat mistrustful.

In order to inform the Canadian people—

—the government wishes to proceed by way of public opinion polls, which obviously implies questions provided by the government, which also prompts us to ask ourselves whether the government wishes to comment or to provide the information. It is not for any agency like Information Canada to represent the Canadian people or to hold a dialogue with them. It is up to the Parliament members to do that. Such an agency should look after the needs of the public in as far as information is concerned and not ask them by means of inevitably biased questions, their opinion on anticipated policies.

Mr. Speaker, the distrust we felt on March 2, 1970, proves justified two years later. Nevertheless, the task force that studied the information problem in Canada did worthwhile work. In fact, one can read at page 21 of the report about:

—the mess in government information.

All that to say that following an inquiry and the publication of the report, following the disclosure of the lack of coherence in government information, we are no further ahead today than we were before. There is still the same lack of coherence in the various departments, we can also note that during the last two years, Information Canada has been used in many circumstances. And I have not enough time to try to sell the government's program to the Canadian people.

I quote from Chapter V of the report of the Task Force on Government Information:

TWELVE EASY STEPS TO A QUICK UNDERSTANDING OF THE MESS IN GOVERNMENT INFORMATION

The failure of successive governments to establish general information policy; the lack of interdepartmental coordination of information services; the triumph of departmental sectionalism in the information field; the confusion as to whom each division is addressing; the variations, department by department, in everything from morale to accounting methods; the absence of a central set of standards by which ISOS might measure their own achievements. Such inconsistencies and failings have all contributed to an atmosphere that has tolerated bungling, nurtured professional lassitude, lent security to the incompetent, and allowed supreme disorder.

That, Mr. Speaker, is one of the paragraphs of the report of the task force that was appointed to make a survey on information in Canada. Two years after the setting up of Information Canada, results enable us to state today that there has been no change, and this text applies very well in 1972, just as it applied before the establishment of Information Canada, which has a budget of more than $7 million a year.

At page 31 of the report, one can read the following:

Some business leaders claimed that DBS figures were frequently so late that their usefulness was doubtful. One businessman stated, "We are still (January 9, 1969) awaiting the publication of the DBS report on 1966 operations of the pulp and paper industry,—

Three years before, they had not yet received the statistical data on the operations of the pulp and paper plants. I resume my quotation:

—although the figures it will contain were made available to us for one of our publications six months ago ... The last updated catalogue came out in 1964." DBS works so slowly in some fields that a financial writer says he frequently gets his figures somewhere else.

One must refer to private enterprises to get federal government statistics. Even through Statistics Canada, the federal government is unable to supply the business community with firsthand data on manpower or other subjects justifying the existence of that federal agency whose cost is supported by the Canadian taxpayers.

And the report goes on to say:

DBS works so slowly in some fields that a financial writer—

—as I have just said,—

—says he frequently gets his figures somewhere else and then, when DBS does report them, he writes in his column,—

Mr. Speaker, while we are discussing Statistics Canada, I should like to object to the figures concerning manpower in order to show that that agency, to me, at least, is totally inefficient. In the past this House had opportunities of studying official data published by Statistics Canada. The whole thing spells obsolescence. Statistics Canada does surveys concerning unemployment; it hires from three to six people per constituency, all over Canada, one week a month. They visit country parishes, especially during winter, when unemployment is less acute than in the cities. Investigators are sent into the cities during the summer when unemployment is less severe.

Mr. Speaker, I could speak for an hour on the very bad methods used to establish the so-called statistics on unemployment in Canada. In fact, investigators are told to call during six successive months at the same house, on the same farmer, to ask him: Sir, are you unemployed? During how many hours have you worked last week? And the good farmer answers: My situation is the same as it was last month. This is the fifth time that you have called, I still have the same herd of cows, I still must work the same number of hours during the week. Yet, the investigator returns—

The Acting Speaker (Mr. Laniel): Order. I am sorry to have to interrupt the hon. member, but the time allowed to him has now expired.

Mr. Rondeau: Mr. Speaker, with your permission I should like to know whether the House would agree to my going on with the interesting remarks I have to make on Statistics Canada.

The Acting Speaker (Mr. Laniel): Order. To my mind, a decision was made about the length of speeches and, unless I am mistaken, it was understood that hon. members would not ask for additional time. However, it is up to the House to decide.

[*English*]

Does the House consent to let the hon. member complete his remarks?

Some hon. Members: Agreed.

Some hon. Members: No.

Information on Government Business

[*Translation*]

There is not unanimous consent to allow the hon. member to finish his speech.

[*English*]

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, I was interested in the comments made by the hon. member. I think that we in this House, as well as the country generally, agree that the informed judgment of citizens is indeed the basis of a well functioning democracy. A citizen must have information in order to participate, to present his own interests in light of the facts of a given situation. He must be informed in order to present the interests of groups with whom he freely associates and to present his view of the public interest to government as he sees and expresses it.

Therefore, access to information, which lies at the root of a well functioning democracy, is a continuing obligation of government, and this access must be improved and maximized. I will go further and say that, if we think about it for a moment, we are today experiencing extremely rapid change, social, economic and political. Changes in the development of technology, particularly in communications media, result in a steady bombardment of facts and opinions, often conflicting. In these circumstances the citizen frequently feels bewildered by the flow of information, and it is therefore incumbent upon government to come to his support. I think there are at least two ways in which a review of information flows ought to be made at this time and, indeed, are under way. One would be in the more legal and complex fields of information, by defining more precisely than hitherto the boundaries between factual information and more confidential or secret information, with the objective of establishing a base for the fullest possible disclosure.

• (1550)

We have a tradition here of parliamentary responsibility and we also have secrecy. What we can and ought to do is undertake a more precise definition of the distinctions to be made between that which is factual and that which is confidential. I do not think we will make much progress in the objective we all share to increase the flow of reliable and objective information unless we get down to the business of defining in more specific terms the boundaries between different kinds of classified information. I think all in this House would agree that with respect to the public service, the information often sought in this House which has been obtained through the advice and recommendation of public servants must be kept confidential in order to have good government.

The other step to which I would refer is already underway. One of the most recent moves, two years ago, was the establishment of Information Canada. The object was to relate the government more closely to the needs and interests of citizens for information. I should just like to indicate a few ways in which this agency is undertaking to fulfil that function. Perhaps I should first say, as categorically as I can, that there is no intention to follow the contradictory advice of some members of the opposition to disband Information Canada. This agency is only at the beginning of its experience, and only at the beginning of its usefulness to Canadians. I want to affirm in the most

positive way possible my own and the government's commitment to expand its functions in the service of Canadians.

First, let me point out some of the characteristics of Information Canada which are not always fully recognized. This agency inherited two existing major functions of government. One was the Canadian Expositions Commission, which is a highly skilled, technical group of persons who create and develop exhibits throughout Canada and, indeed, throughout the world, on behalf of every department of government. Exhibits convey departmental messages and services to Canadians and people around the world. In addition, Information Canada as a department inherited the Queen's Printer bookstores, of which there are now six across Canada and, hopefully before this year is out, there will be some 10; that is to say one in each of the capital or major cities of the provinces.

Some 70 per cent, if my memory is correct, or two-thirds to three-quarters of the staff or personnel of Information Canada is composed of those persons who are working in these agencies, the Expositions Commission and the Queen's Printer bookstores. Other small agencies were also taken on, for example the still photo division of the National Film Board. The other personnel are obviously those persons who have been recruited to fulfil other functions of Information Canada. One of those functions is to expand the bookstore service to include an inquiry service. We hope to have each of the major centres incorporate an inquiry system. We are already active in a number of centres so that our personnel there can respond in useful ways to the inquiries of citizens. The staff will not have all the information about all the services and programs of government at their fingertips, but Information Canada is developing a data bank which will make it possible over a period of time to respond, through its own inquiry officers, to many of the questions that come forward.

However, the main function will be to refer those questions to the appropriate government departments and, indeed, to the appropriate persons in the various government departments so that citizens will not get what they frequently think is a runaround, getting lost in a system that is very large and complex. Through this service they will be able to tap into the various services of government and be referred to other levels of government, if that is the appropriate agency to respond.

In addition to those activities, I should like to refer to another service within Information Canada which was in the original mandate and recommended by the Task Force on Information, and that was to assist the information divisions of various government departments to evaluate and improve their services. A division has been established within Information Canada to perform that function. One of the recent activities of that division was to assist various departments, which do not have well developed information services, to provide information to the public; sometimes to a special public and sometimes to the general public.

A typical example of that kind of support activity provided by experts in communication within Information Canada was in connection with the special employment programs during the past winter, including LIP. With its support service, Information Canada officers helped to coordinate the information activities of four or five different government departments. Thus, one of the ongoing functions is coordination and supplying expert personnel to various departments participating in that combined program. They assisted them to gear up to an extraordinary demand on their information services. Information Canada is prepared and has undertaken to evaluate programs and to look at the effectiveness of advertising programs. It is prepared to advise departments and to provide them with the highly skilled and expert personnel which it would not make sense for each department of government to recruit and maintain within its own services. In this sense, it is acting as a central agency in respect of other departments.

It may be of interest to some hon. members to look at some of the more practical and down to earth efforts of the officers of Information Canada and the personnel recruited by them to do a job for Canadians in the day to day information activity. I refer to two Information Canada officers who are currently working in southwestern Nova Scotia on a summer project. The objective there is to bring to the people in that area the kind of information they need.

In this connection one begins the community, one does not begin with government brochures or existing information services, delivering them to the community. What we are trying to do is find out the needs of various communities, the attitude structures that exist and the impediments to the flow of information. We are trying to find out how Information Canada can advise the various departments, while in no sense taking over their information services, on how better to serve the needs of such communities.

Briefly, these are some of the things these two information officers discovered last week in this particular community, and some of the activities they undertook. They arranged a meeting to tell unemployed students about the student manpower centre in Yarmouth, and about various openings for students. One might say it is up the citizen to find out about these various services of government, but research reveals that people do not know that services exist for their benefit. What we are doing in Information Canada is getting out in the field where the people are, finding out their needs and trying to help the departments respond to them.

• (1600)

In all this, we will not take over the information function. We will assist other government departments to do their job better. In a survey of 26 grade 8 students it was found, for example, in one community that only four reported that their families took a newspaper of any kind. One man thanked these officers for having pointed out that there was an unemployment insurance office in a certain community. He did not know of its existence.

Let me say also that last summer, in an effort to look into the nature of the communication problem— and I may say I was disappointed in the remarks of the mover of the resolution because although he had an opportunity he did not lay out some of the problems—Information Canada commissioned eight information studies in more isolated parts of Canada such as southern Nova Scotia,

Labrador, Gloucester county in New Brunswick, Scheffer-ville, Quebec and Riverdale in Toronto. Riverdale is not exactly an isolated part, but it had some special characteristics in which information problems existed. These studies were also commissioned in St. Boniface, Manitoba, the Crowsnest pass area and the sugar beet fields of southern Alberta.

Graduate students and others, in teams of two, one of whom was familiar with the neighbourhood, went into these communities. We did not sit here in Ottawa and cogitate about the problems. Information Canada took the initiative and went to these communities. Five reports have been released and the others are in the final stage of publication. They will be released shortly. I noted that in a radio interview this morning an hon. member opposite suggested that the reports had been leaked. This is not the case. These reports are being released. Even though the officials of Information Canada may not always agree with what is contained in the reports, these reports are released because the idea behind the research is important.

First, as I indicated, these projects started with the communities themselves. Second, the reports went to Members of Parliament, local officials and federal government departments involved in the communities as well as to many of the people who live there. These people have been asked to comment on the reports. The hope is that this will result in more meaningful communication between the federal government and the people it serves. We will not always agree on the findings in the reports. Not all communication between government and people can start at the local level. The researchers may have been wrong in some of their conclusions. But if the experiment succeeds even in part, the federal government will be in a better position to fulfil its first information priority of distributing information which people need more widely and more effectively.

I wish to assure hon. members that Information Canada and other departments are now actively following up on these and other information studies. How then can one respond to the suggestion of opposition members that Information Canada be abandoned? Are they not interested in the needs of people for information such as is being discovered here? If we discover that things are not as well as we like, are we to run to cover or try to improve the situation? Surely, the latter Information Canada officers are working in Nova Scotia and are also following up the results of the study in Manitoba. This summer there is a mobile information office working with the Indian people in Alberta's sugar beet fields. This is a direct result of the research conducted by Information Canada. This is in addition to the function of the central office of supplying information, answering inquiries and assisting various departments.

I see, Mr. Speaker, that my time is running out and we must all observe the 20-minute rule. If I might, I should like to comment very briefly on information statutes. We know there are information statutes in various countries. It is being proposed that there should be such a statute here. This matter is under study by Information Canada. I would be less than frank, however, if I did not say I am not persuaded that a statute is the right way to go about the question of accessibility to information. We could look at other countries which have information statutes such as the United States, for example. We might look at the problems the citizens there run into in respect of obtaining information even though there is a statute which grants access to information. Freedom of Information statutes of necessity have many exceptions to the general rule which we all wish to support. There are so many exceptions that we find governments hiding behind the exceptions rather than coming forward with information.

The exceptions become statutory and subject to very wide interpretations. Legal suits result from them. I would recommend or suggest that hon. members also look at the Swedish approach where for some 200 years there has been a statute on the books concerning access to information. The experience there I believe is no better than the experience in other countries, and certainly no better than the experience in Canada.

I shall conclude simply by saying that Information Canada as an agency is dedicated to the proposition of co-ordinating and assisting government departments to do a better job. We should not deceive ourselves that, as a result of some sleight of hand, this will cost less money. It cannot. Government programs grow in scale and we are all involved in developing new programs and policies to meet the needs of people. They grow in complexity. This complexity must be explained to people. We would only deceive ourselves if we thought this would cost less money rather than more. We will evaluate the progress made thus far and do our best as a central agency to assist departments to obtain greater productivity for funds spent.

We will continue on in this way. We will not sit in our major inquiry centres but will try to move out to where people are in order to distribute printed and other forms of information to them and to provide them access to government through our enquiry service. We will not remain in Ottawa but will establish centres in the regions of Canada so that there can be appropriate responses given to special regional needs for information. We are looking at the question of mobile information offices and are testing this concept. We are considering a host of other interesting and challenging developments in information services. Information Canada, Mr. Speaker, is only at the beginning of its useful service career in Canada.

Mr. Mather: Mr. Speaker, I wonder whether the minister would permit a question before he resumes his seat?

The Acting Speaker (Mr. Laniel): Order, please. There is a difficulty. The hon. member knows there has been a limitation placed on time. The minister's time has expired. A question can be asked only if there is unanimous consent. Is there unanimous consent.

Mr. Bell: Mr. Speaker, I am afraid we have to be very strict about this. If the hon. member should have an extremely interesting question, the minister conceivably could take more than 20 minutes in replying to it.

The Acting Speaker (Mr. Laniel): Order, please. It is the right of hon. members to refuse to give consent. I now call upon the hon. member for Fundy-Royal (Mr. Fairweather).

Information on Government Business

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, may I say, with very great respect to the minister, that I was disappointed because his speech was discouraging to those of us who believe there should be accessibility of information and much less secrecy. In the few minutes I have, I propose to discuss the matter of government leaks, confidentiality, administrative secrecy, and finally and briefly, the kind of scrutiny that sort of died a'borning and in respect of which nothing apparently has been done. Then, if I have a minute, I will end with a plea for plain language and frankness in dealing with an increasingly frustrated public.

• (1610)

While members and the public find it difficult to get information necessary for the performance of their roles, there has been no shortage of information leaked to the press and the public. It might be interesting, Mr. Speaker, to have a list of these leaks since 1969. One, in 1969 a research study for the bilingual and bicultural commission was leaked to *La Presse*; two, in 1969, sections of the study of the Housing Task Force was leaked to *Time* magazine; three, June, 1970: excerpts from recommendations of the Le Dain Commission were leaked to *Time* magazine; four, in 1971, four staff members of the Special Senate Committee on Poverty left the staff and published a conflicting report, using in part information gathered during their official tenure; five, in 1971, draft portion of the Gray Report on Foreign Ownership; six, in 1971, a record of a cabinet decision in reference to the Gray Report; seven, December 23, 1971: details of two 1970 cabinet documents relating to law and order and possible use of the War Measures Act, suggesting the use of the act was contemplated before the October crisis of 1970, leaked to the *Globe and Mail*; eight, December 30, 1971: excerpts from two 1971 cabinet documents relating to the government's northern development policy for the next ten years, again leaked to the *Globe and Mail*; nine, February 2, 1972: cabinet document on aid to the publishing industry in Canada; ten, February, 1972: cabinet document on foreign ownership, and official documents, although not cabinet documents, all classified; eleven, document on low income housing; twelve, Anton Sobokha file—an abortive espionage case; thirteen, report on collective bargaining in the public service; fourteen, confidential evaluation of summer work programs of 1971.

While there is no complete certainty as to who is responsible for the individual leaks, the possibilities have been narrowed down in every case, except for the Senate Committee on Poverty, to those engaged in the service of the government, either permanent, full-time public servants, temporary public servants, or those engaged only for specific projects. I suggest that they resort to leaking because of prohibitive, restrictive and quite ridiculous rules about secrecy.

In a speech in St. John's, Newfoundland, on June 6 of this year, Gordon Robertson, Clerk of the Privy Council and Secretary to the Cabinet, attacked those individuals who had leaked information contrary to their oath of secrecy. He deplored the lack of public complaint about the reprehensible conduct of individuals who had provided confidential government information to the public. He justified his attack on the basis that the governments need to keep much information confidential. I quote him as follows:

In short, the collective executive that is the heart of our parliamentary system must have secrecy: it cannot work without it.

I suggest that this is a sacred cow, and that it is time this sacred cow was put to rest once and for all. No one would argue that secrecy is often crucial to the success of an executive and of a government. However, Mr. Robertson, I suggest fails to broach the problem that too much government material is labled confidential unnecessarily, and that information that should go to the public as a matter of course is withheld—hence, the leaks. Most of the leaks of the past few years fall into this category. None can be said to involve information risking national security, and none really risked the privacy of individuals, something that we would all want to protect.

Kildare Dobbs, a well-known Canadian writer, who spent a short time working for the Secretary of State (Mr. Pelletier), summed up well the stupidity of confidentiality procedures in the federal government. He said:

I could never quite understand by what alchemy the words rattling loose inside my head became confidential the moment I wrote them down. But that was what happened. A few strokes of the borrowed ball point and presto! I was spinning state secrets out of my own innards.

And further:

With superfluous caution, they put up a smokescreen of security, mindlessly stamping everything on their desks Top Secret, Eyes Only, Secret, Confidential. As if anybody cared. Not only where these documents unreadable; many of them, on close inspection, proved meaningless.

These words are contained in a statement he made to *Macleans* magazine in September last year. The government has not yet managed to balance well its need for secrecy against the public's need for information. I do not deny this need when secrets of state and the privacy of individuals are concerned. But otherwise, I think it is pure nonsense to believe there should be so much secrecy.

To understand whether a minister has chosen a proper course or whether a department is operating efficiently, Parliament must know what information is available and on what basis a decision was taken. Francis E. Rourke makes an important point that should not be overlooked:

The fact that a policy is convenient or saves embarrassment is not necessarily an admission that it contributes to administrative efficiency . . . Responsiveness no less than competence is the hallmark of a successfully functioning democratic bureaucracy.

The tendency in recent decades has been for the executive to interpret the public interest more in terms of its own efficiency than in terms of popular control. The experience of the United States when President Kennedy cut back drastically on the use of the doctrine of executive privilege to withhold information from Congress indicates that the passionate prophecies about the destruction of good government are greatly exaggerated. With great respect, Mr. Speaker, I wish that Mr. Robertson had read Francis Rourke's book "Secrecy and Publicity" before he made his speech last week in Newfoundland.

There are additional reasons for the growth of secrecy in recent decades. The impact of the cold war did much to heighten secrecy in connection with the security of the state. The Report of the Royal Commission on Security,

[The Acting Speaker (Mr. Laniel).]

abridged, interestingly enough, in 1969 did not hold out much hope to those who favoured greater access to administrative records. The report did say that there were many complaints made about over-classification, but found it impossible to suggest any "very sweeping changes in present procedures." In defence of this position, the Commission offered the standpat observation that:

> The present system is reasonably well understood and established, and it would appear to us that very compelling arguments would need to be advanced for major changes.

I am sure that my hon. friend, the member for Peace River (Mr. Baldwin) who moved this motion feels, as I do, that there are compelling reasons, and I hope that today's debate will bring some of them forward.

The present classification categories were admittedly vague, but the Commission felt that it could do no better. It could not endorse a general approach to declassification, which should involve primarily departmental judgment, although the departments should be constantly reminded of the value of downgrading documents. More attention should be paid to the "need-to-know" principle, that is, the dissemination of security information only so far as is necessary for the conduct of business as determined by the proposed security secretariat.

In the Commission's view the Canadian Official Secrets Act is "an unwieldy statute, couched in very broad and ambiguous language." The poor construction of certain sections of the act, along with the "extraordinarily onerous" evidence requirements contained in the act have led officials to rely for prosecutions mainly upon the conspiracy sections of the Criminal Code. I know that in the few minutes remaining to me I cannot go into an exhaustive discussion of the Official Secrets Act, but I am quite certain that a committee of this Parliament should take a look at the whole matter of secrecy, as well as the right to know, and a system for declassifying documents should be very much before that committee.

• (1620)

Mr. Baldwin: As they did in England in the Biafra case.

Mr. Fairweather: Exactly. My hon. friend says this subject has been dealt with in the United Kingdom Parliament just recently.

We could have had a weapon or Parliament thought it had a weapon to deal with one other aspect of the public's right to have scrutinized for it some of the administrative decisions of government in the form of regulations, in the excellent report of the Special Committee on Statutory Instruments. I should like to give this short chronology of events. The committee was appointed on September 30, 1968, its membership decided upon on November 8 of that year and it reported to Parliament on October 22, 1969. There followed some eloquent statements by the then Minister of Justice, Mr. Turner. He said that the idea was long overdue and went on to say:

> We have allowed, by enabling powers and statutes, legislation to be delegated to the cabinet, to ministers, to boards, to commissions by way of regulations ... beyond the control of Parliament, beyond the power of Parliament to review and revise, and thereby beyond the power of the people to challenge.

What has been the result of this eloquence, Mr. Speaker? On both the Senate and the House of Commons side, we have had a special committee. The House of Commons members on that Committee were named on March 22 this year, yet three months have gone by and that special committee on scrutiny has not been activated. I think it is fair to ask about the reluctance of the government. There should be a staff. We are well on our way to an adjournment, possibly even, to an election, and many valuable months will be lost before this committee reports. It was launched with such eloquence and such a resounding hosanna of trumpets but now, Mr. Speaker, the trumpet sound is uncertain indeed.

I have been interested and moved by a most eloquent letter from a person living in Claremont, Ontario, not in my constituency, who is opposed to the decision of the government to locate a new international airport at Pickering. I am not entering the debate about the location of the site at this point. This lady says that she is sick of receiving government form letters; she is tired of standardized replies and she is sick of being told that she has a right as a citizen to participate. She is sick of the clichés about participatory democracy and then having all these clichés set aside because the decision is taken before there is any opportunity for useful participation. I think we all bear a responsibility for the cynicism of the public with regard to government. Other members have spoken of the twin uglies, dehumanization and depersonalization. Because of those uglies, I think it is more important than ever that the public have access to information and that we, as Members of Parliament, stop treating citizens as some sort of receptacle for pieces of legislation that are almost incomprehensible. We must deal with the public in plain language, free of cliché and, if possible for parliamentarians, without resort to the usual puffery that seems to be endemic when politicians exchange letters with the public.

Mr. Grant Deachman (Vancouver Quadra): Mr. Speaker, the motion of the hon. member for Peace River (Mr. Baldwin) which is before the House today opens wide opportunities for debate on a subject on which many members of this chamber have very strong feelings, and with which they have considerable familiarity. The wording of the resolution makes it possible for members to consider not only the failure of the government to keep the Canadian people adequately informed but Parliament as well. So, there are two aspects to the resolution. The aspect I want to talk about for a few minutes deals with some of the steps that the government has taken in order to bring about better communication with Parliament and the way in which Parliament has come to recognize what government is doing.

Many members in the chamber this afternoon will remember how bills and estimates were dealt with in committee of the whole under the old rules. The chairman of committees would sit at the head of the table and call out the estimates item by item. We would go through the chant of approving millions and billions of dollars without having the opportunity to examine any public servants on the issues and programs. We remember how the minister used to carry bills through this House in committee of the whole. A public servant would come into the chamber and

sit at a little table in front of the minister. Every time a question was asked in committee regarding a clause of the bill there would be a whispered conversation between the public servant and the minister, then the minister would get to his feet and parrot what the public servant had told him. It was often the case that a good minister knew as much about the bill as the public servant and could carry the bill through the committee with adequate explanation, adequate at least for the House on that day.

Let us consider what takes place under the new rules and the way the problem is tackled today. Bills are no longer dealt with on the floor of the House in committee of the whole but are referred to a committee where the public can attend and where witnesses can be called. Public servants who may have played a role in the development of a particular bill can be called and questioned on every aspect of it. Let us also consider what takes place now when the estimates are automatically referred to committees of the House instead of being dealt with in committee of the whole House without the benefit of any examination of departmental officials.

I can recall that when we went into committees for the first time there was some contact between the public servant and the members. I remember how nervous the public servants were in those days in case members would bully them and push them around. I remember that the ministers would often still attempt to play the old role in committee that they had played in committee of the whole of having the public servant give the information to them and then they would relate it to the committee. Bit by bit, an aura of confidence grew between the public servants and the Members of Parliament when dealing with estimates in committee and examining various government programs. Public servants began to talk to members telling them about the hopes and aspirations of the programs of particular interest to an area which a member represented. For the first time, public servants were expressing themselves to Parliament in a way in which they had never been able to do before. For his part, the member was able to do what only ministers had been able to do heretofore, to question a public servant in detail in regard to a particular program.

• (1630)

I want to mention some other ways in which we have learned to communicate with government and acquire a better idea of what the government has done. I refer to some of the things that our committees have learned to do over the years. Consider, for example, the defence committee, which was first established in its present form in 1963. As time went on it became one of the standing committees of the House. Consider the way in which that committee set about examining the affairs of an extremely complex department, which it then was, as hon. members will remember.

The Defence Department spent a quarter of all our tax dollars and Members of Parliament had no idea how it did that. We did not truly comprehend how on earth that department spent a quarter of our tax dollars, or $1.5 billion which increased to $1.8 billion. We learned. The members of this House gained a comprehensive idea as to how that department spent its money. We know what happened to us. We, of this chamber, became more expert on what went on in the Department of Defence and how that department spent its money, than the press. At that time, the press printed boloney every day, which we accepted and used in debates in this chamber. That was one way we learned to use our committees differently, and to benefit from them.

I want to speak for a moment about the committees which are doing excellent work in moving around the country and meeting the people. The transport committee and the agricultural committee have travelled most, I think. In their travels they have heard what members of the public have had to say about the important subjects of concern to those committees. This process has evolved in the past few years and has enabled Parliament to keep in touch not only with Crown corporations and departments of government but, as well, with people who are affected by what those Crown corporations and government departments do.

I now want to mention the growing use of expertise in our committees, and I will speak particularly of the work of the Finance Committee in its examination of the tax bill and in its examination of extremely complex subjects such as the revision of the Bank Act, the Bretton Woods agreement and the anti-dumping duty legislation. The members of that committee of the House became expert in these areas. The Committee employed experts, which enabled members to deal with these subjects more adequately and to understand them more fully.

I also want to speak of the work of the Public Accounts Committee in its investigative role, and of the effectiveness with which it has carried out that role. As hon. members know, the chairman of that committee is chosen from the opposition. That chairman, I am glad to see, is in the House and listening to my remarks. I think we all want to compliment that committee, and its chairman, on the effective role it played, for instance, in the investigation of the refitting of the *Bonaventure*.

Mr. Bell: Please! Not too loud!

Mr. Deachman: That was a classic case to be investigated by a Canadian parliamentary committee. Not only did that chairman and that committee carry out that investigation effectively, but the leader in the investigation, and I am talking of those Members of Parliament who were on that committee and took part in that work, was a member from the government side rather than from the opposition side. So, we can see the way committees have expanded and carried out their investigative roles, roles in which they have met the people and roles through which they had developed their own expertise and judgment. Mr. Speaker, Parliament is evolving and, in recent years, it has been evolving quickly.

Hon. members who spoke earlier told us that, as a Parliament, we lack some capability. An hon. member suggested that we have not fully carried out our role in overseeing what government departments and the public service do. I cannot accept the words of the hon. member for Peace River (Mr. Baldwin) who believes we have failed. I do not believe we have failed. I believe we have made giant strides in this Parliament and have become more expert than many in some fields, no mean achieve-

ment in an age when technology and complexities of all kinds increase every day.

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I am pleased to follow the chief government whip. I must say that he struggled along much more adequately than did the Minister of Labour (Mr. O'Connell) who replied officially on behalf of the government. The speech of the Minister of Labour was so weak, so irrelevant that, if Information Canada had anything to do with the preparation of the speech, I would be willing to agree that that body should be disbanded immediately, here and now.

Some hon. Members: Hear, hear!

Mr. Bell: There are two aspects to this matter, Mr. Speaker and they are slightly different from those mentioned by the last speaker. They have, first, to do with the evolution of Information Canada, and, second, the government's responsibility to inform itself.

We all recall the early days of Information Canada. The Prime Minister (Mr. Trudeau), still under the aura of the just society, decided to set up a task force on information. That task force has been referred to, and from it came the recommendation for creating Information Canada. That sounded like a grandiose idea. All the same, I think members of the House on both sides were afraid that the management of news, which was implied in the setting up of Information Canada, would be a serious matter for us all.

We know Information Canada failed. Everyone knows why it failed. Many have said publicly why it failed, both inside and outside Parliament. It failed, first, because Information Canada was not answerable to Parliament. Its activities were to be referred to one of our committees, and I will deal with the success of our committees later. The second, unsurmountable reason behind the failure was this: The government appointed as Director General of Information Canada a Liberal hack, a man who had been a full time, professional Liberal politician in Quebec. Mr. Speaker, professional, Liberal politicians in Quebec are just about as bad as you can find, if you exclude some I know of in New Brunswick. That man was appointed to head this body. Its duties were delicate, and we all know what happened. We watched the mistakes it made. Hon. members no doubt remember the photographs of nudes that came out, with the Canadian flag draped in the background of the picture. Unlike the nudes you see in Playboy Magazine, these nudes apparently were unidentifiable.

Some hon. Members: Shame.

Mr. Bell: I doubt if any hon. member of this House will stand up and say that Information Canada has been of appreciable help to our committees. I have never heard anyone claim that it has been of assistance. I know that these flat pins, or whatever you can call them, are given out to members and they may be in great favour. Much depends on the area of Canada from which you come. The whole thing has been a failure, as recent reports indicate. Information Canada, "Misinformation Canada", or "Manipulation Canada"—whatever you want to call it—is a lame duck, just like the Vancouver hockey team which the government whip knows about. The team was of no use for the last part of this season, at least.

An hon. Member: Do not cast aspersions.

Mr. Bell: It is a lame duck, just like this parliament, and I doubt if it will be possible to bring about any recovery.

The other aspect I mentioned was the responsibility of the government to inform itself. We all know that old adage, "Public affairs must be conducted publicly.". Of course, Parliament is the forum to which the government of the people of Canada is responsible and it must see that correct information is brought forward. The task force was not asked to deal with government responsibility but, very bravely, it said:

> In keeping with the principles of participation and freedom of access to information, the government provide more informative replies to questions raised in Parliament than has been the tradition.

• (1640)

That, Mr. Speaker, was quite a while ago. We all know the question period that we have here and the type of answers we receive. My thoughts go back to the days when well-known Parliamentarians were in previous governments. I will mention their names; Messrs. Martin, Pickersgill and Chevrier. When a question was asked by the opposition, they never failed to give an answer in this House. They prided themselves on the fact that each day they would stand up and give an answer. It might have been a lengthy one or all the facts might not have been correct, but at least they gave information. We know what we get today. We do not even get the ministers to their feet half the time, if we can even get them in the House.

The other day I did a random check of the attendance of ministers. I am not trying to be a schoolteacher and check everyone's position. As far as the attendance goes on both sides of the House, there is no difference. It is not good. I am talking about the members of the treasury benches who have a responsibility in this Parliament. For a three week period in May, there were four, five or six ministers away each day when, under the famous roster system, they should have been here.

Mention was made by the chief government whip of the success of committees. I do not think that committees are all bad. We had to make moves toward a professional committee system. Some of these moves were good. We are now receiving expert advice and we are travelling; that is good. However, you will have to do a lot of talking to convince me that the system we are now using in dealing with estimates has any value. It embarrasses me to no end to sit in this House, as I will do in a few days, and have billions of dollars pass through in two or three seconds under the eyes of the press gallery and the Canadian public. Under the old method, we had a chance to confront the minister and the civil servants. We could threaten to hold up the estimates, to not pass them and make ministers do without their money if they did not provide the correct answers. Now, we still have the whispering back and forth in committee, but the civil servants are not giving us the type of answers that I feel we should be getting.

I remember the days when civil servants attended the opposition caucus and gave us their thoughts. There was not a press man around. They told us what they thought about different policies and the like. Do you get that now? They are scared to death. You never see a civil servant talking to the opposition. Everything is too big now. I do not think there is the slightest improvement in so far as the committee system of dealing with estimates.

Mention was made a few moments ago by the chief government whip of the Auditor General and the *Bonaventure*. We know what we have been through with the Auditor General. Hopefully the Minister of Industry, Trade and Commerce (Mr. Pepin) gave us the facts and information the other day about items to which the Auditor General had referred in his department. How about the President of the Treasury Board (Mr. Drury)? There is the one man in this whole House who is an authority on the *Bonaventure*. We recall how he got up and said that under the new system we were going to use there would never be another situation like the *Bonaventure*. We now have another such situation in the making in the DDH program.

If you want to talk about the *Bonaventure*, there may be some credit in that for the Committee. The membership was bipartisan, there is no question about that. However, there has never been any ministerial responsibility fixed for the *Bonaventure* matter; questions asked in this House are not answered and attendance under the roster system is poor.

Some hon. Members: Hear, hear!

Mr. Bell: I said that there were two related matters, the failure of Information Canada and the responsibility that has traditionally existed on the government from time immemorial to inform. Everybody wants to take part in our democracy. They want to have their views passed on to the right people. They want them accepted. They want to know what is coming back. However, so far as Information Canada is concerned, which apparently is on its death bed and this was certainly confirmed by the speech today by the Minister of Labour, the grandiose plans of this method of informing Parliament and the people have all been washed out. Responsibility now rests and can only rest with the government. They must see that their policy of evading questions is changed. A policy of giving better answers to tabled questions must be followed. I have taken a random look at the order paper. I find that as of today, 42 questions have been on the order paper since February; 53 since March; 35 since April and 63 since May. Where is the responsibility of the government? They are suppressing reports. The general attitude of condemning Parliament by these just society boys has to stop, if it is not now too late.

As stated in the motion of the hon. member for Peace River, which I had the honour to second, our concern is with people and Parliament. The responsibility in our democracy rests with the government through our political process to see that this leadership is shown here. This was borne out in the task force report. There must be greater access to information for all members. As the mover of this motion stated the onus has to go back to the government. They can have their exceptions, but the responsibility to inform has to be transferred back, not to Information Canada, the opposition or the people outside, but to this Parliament and, in particular, the cabinet, the members of the treasury benches.

Some hon. Members: Hear, hear!

Mr. Herb Breau (Gloucester): Mr. Speaker, I am honoured to follow my colleague from New Brunswick, the hon. member for Saint John-Lancaster (Mr. Bell). For one reason or another, I do not agree with many of the things he said. He talked about the importance of providing proper and impartial information to the people of this country. I agree with that in principle, but being a good politician, as he is, his speech today illustrates the strength of our political system. On the other hand, with regard to elements of the political system such as the opposition putting across their point of view, they give one biased opinion. If we want our system to work, the government has to respond to the statements of the opposition in the same way.

The hon. member for Saint John-Lancaster talked about the government giving information. As far as I am concerned, there are two functions of information that are of importance. The hon. member referred to the question period. I think the hon. member for Peace River (Mr. Baldwin) also mentioned that. I have to smile when I hear the opposition being touchy about the government responding in what we might call a political way to questions asked during the question period. They seem to take the attitude that their questions are impartial, looking for the facts and asked without any ulterior motive. I do not have anything against them having these motives. I think this is essential in our political system. Their role in the question period is not only to obtain information, but to make political points.

Mr. Baldwin: We are sure successful.

Mr. Breau: I think you are successful. I hope that some day I will have the chance to answer some of your questions. I would succeed in scoring political points, too. I think ministers tend to try to be too impartial and non-political when they answer questions. The function of the opposition in this context is not primarily to gather information, because that would imply they were impartial; they are not out to get facts but, rather, to make political points. I admit at once that this is an important function in our political system; on the other hand, the opposition should not, for example, ask leading questions and then say, when a reply in political terms is given, that the government is not supplying impartial information, and relate all this to Information Canada.

• (1650)

The hon. member for Saint John-Lancaster is, as we know, an experienced member and I do not believe he would wish to lead the House into the error of believing that Information Canada has done nothing positive. I should like to refer him to the study conducted in my constituency, one which brings out some very pertinent facts. It was undertaken last year by a group of students with the sponsorship of Information Canada. Again, I wish to emphasize the difference between information

which, of necessity, will be biased because the government is asked biased questions, and factual information given in response to a public need.

The hon. member for Saint John-Lancaster would agree, I am sure, that it is a function of government to explain its actions in a political way. On the other hand, there is the function of providing information to people who, for one reason or another, cannot get the facts they need out of the political system or the House of Commons. The study to which I have referred deals with that situation and I again refer the hon. member to this report which was commissioned by the planning services of Information Canada and carried out by two students, Helen Sinclair and Pierre Tremblay. It is a very good study and I will send a copy of it to the hon. member. Once he has read it, I doubt he will again tell the House that Information Canada has done nothing.

In my view, we are only now beginning to realize what the role of Information Canada should be. If there was one error which was made it was, it seems to me, in calling this organization Information Canada. We should not have called it that, because in our political context, the context of the House of Commons, I think it implies information which is biased because of the very nature of our political system, as I have explained. How can one expect a minister to get up and answer a question in a scrupulously non-partisan way when a member such as the hon. member for Saint John-Lancaster, for example, has put the question to him? If I were the minister concerned there would be no chance of my answering him in a non-political way—maybe I would do so in my constituency, but not in any other forum. When that opposition member asks a question, a minister would be foolish to answer in a non-partisan way because the member is smart enough politically to load his question. To appreciate the role of Information Canada in this context, we must admit that possibly the name is wrong. It is true that in terms of semantics, information is the correct word but possibly we should call it a centre of resources—

An hon. Member: What?

Mr. Breau: Or, possibly, an animation centre—

Mr. Knowles (Winnipeg North Centre): Or, Propaganda Canada.

Mr. Breau: Perhaps the hon. member for Winnipeg North Centre (Mr. Knowles) was not listening when I explained the difference between propaganda and information. I said there was a need for propaganda in the present system because members like the hon. member for Saint John-Lancaster and the hon. member for Winnipeg North Centre are experienced politicians, and when they ask questions a minister would be foolish to answer them in any other way than by propaganda. That is because their role here is purely a political role. Their role is to try to lead the public into believing what they believe. I do not think this is anything to be ashamed of.

Mr. McCutcheon: I am rising on a point of order, Mr. Speaker. It seems to me that the hon. member who has the floor is imputing motives to various members over here and saying that ministers have to reply with propaganda. I do not think he has the right to impute motives to my hon. friend from Saint John-Lancaster.

Mr. Speaker: Perhaps it might be better if I said nothing about the hon. member's point of order.

Mr. Breau: You know, Mr. Speaker, sometimes one can impute motives which are bad motives, but there is nothing wrong about imputing good motives.

Mr. Knowles (Winnipeg North Centre): The rule does not make that distinction.

Mr. Breau: I said I agreed that this was an important function of the opposition in our political system. I would never try to play down the importance of that aspect of our political system. However, I am pointing out that an organization like Information Canada should also be a centre of assistance to citizens—a citizenship development centre or an animation centre.

Citizens groups are forming across the country. Those who were responsible for the study to which I have referred sought to evaluate the way in which an ordinary citizen in a constituency such as mine, which might be called a disadvantaged area where many problems arise, cultural, social and political, derives information about government programs and governmental decisions which directly concern them. Does he get his information through the civil service, or through political channels or by other means? How is this man being reached by governments whether at federal, provincial or municipal level? And, when contact was made, was he supplied with facts, arrived at impartially, or with propaganda? In other words, does he get information by reading in the newspapers that some member of the opposition had posed a political question and been answered in a political way, or did he have access to the real facts? I will go further, Mr. Speaker. What these people need is not only facts but a means of obtaining advice as to methods of implementing intentions they may have in mind—ways of putting into practice projects they have conceived. This study deals with all these matters. It is a most pertinent one and has been well carried out. I believe it shows that in this context Information Canada has an important role to play in our political system and in our society generally.

As I say, more and more citizens' groups are forming in this country, calling themselves poor people's groups, animation groups and so on. We all agree with the concept. Those who join them and organize them find they need facts on the basis of which to counter propaganda and biased information. It is of great importance that those we are trying to help should have access to impartial information, to non-partisan information outside political channels. As long as this can be done, organizations like Information Canada have a pertinent function to perform. In the absence of such facilities, people are apt to mislead by the role played by opposition parties in the House of Commons, or in legislative assemblies.

As I have explained, it is not always possible for governments, which are politically motivated, to give completely unbiased information. What is the situation with regard to animation programs carried out through the Department of Regional Economic Expansion and other branches of the federal government? Provincial governments have

experienced difficulties in this direction, also. I think the role played by Information Canada is an important one. It is the sort of thing that makes the political system in this country work. If we want to change the name, then let us go ahead and change it. But if the information that Information Canada gives is interpreted as biased information or as propaganda, then it is not functioning properly.

• (1700)

Another function of Information Canada is to collect resource information on behalf of the people of Canada. For some reason or other, it has not been able to fulfil this role or to implement what it conceives to be its role in the political system, be it municipal, provincial or federal. I suggest that an agency like Information Canada will stop the trend that has led these groups in Canada to allege they are being given propaganda or biased information. Hon. members opposite say that they are being put in the position of giving biased information to the people they represent because of the infrastructure that collects such information. They include in this infrastructure the media, big business, the big labour organizations—anything that is big. They claim that the little man has no access to information. It seems to me that a role Information Canada can play is to try to find ways to help these groups get not only the facts but any information they need to fulfil their aims.

Mr. A. D. Hales (Wellington): Mr. Speaker, at the outset I should like to compliment the mover of the motion, the hon. member for Peace River (Mr. Baldwin), for presenting a motion that is not only important to the members of the opposition but to every member of the House. Information should be provided when requested. At no time should there be concealment of information.

Before proceeding with my very brief remarks, I would be remiss were I not to say thank you to the chief government whip, the hon. member for Vancouver Quadra (Mr. Deachman), for paying some very glowing tributes to me as chairman of the public accounts committee and to members of the committee generally. I can only say that this committee could not function as it does were it not for the co-operation of government members as well as other members of the committee. I see that my right hand man on the committee, the former vice-chairman, the hon. member for Pontiac (Mr. Lefebvre), is in his seat and I should like him to know that I appreciate the work on the committee that he has contributed down through the years. I also include the hon. member for Halton (Mr. Whiting), the present vice-chairman of the committee.

Mr. Levebvre: That is a good place to stop now.

Mr. Hales: Yes, I will stop while I am ahead. We on the committee have achieved results because we have tried to be as non-partisan as we could. Sometimes it is a little difficult, but most times it works very well.

The motion before the House states that the government has failed to keep the Canadian people and Parliament adequately informed. I am prompted to speak to it because of something that occurred no later than this morning. I telephoned the Department of the Secretary of State asking if I could be provided with the name and address of the area project co-ordinator for an Opportunity for Youth program. I am sure that many members of this House have programs in their areas about which they would like to know a little more or in regard to which they may have received complaints, as I have about projects in my area. Many complaints have been made by parents to the effect that they could not locate the person in charge of this particular program. They were given a name, an address and telephone number, but they could get no answer either to their telephone calls or to their letters. These parents wanted to enrol their children for a canoe trip program for which the person in charge was provided with $7,162.

Naturally, I wanted to know what could be done about this so I telephoned the Ottawa superintendent responsible for projects in Ontario, Mr. Izlesias. He relayed my inquiry to the co-ordinator for the province of Ontario, and it is his telephone number that the minister told me today was available. However, when I got down to the grass roots and attempted to talk to this person, I was refused his name, his address and his telephone number. I say this is concealment of information. Every elected member in this House is entitled to have this person's name and address, and I see no reason whatsoever why I or any other member should be unable to talk to him. He is the on-the-job man, and I should like to tell him that I am receiving complaints about the project and to ask him to look into them. Why does the minister not want to disclose this man's name and address? The only reason I can think of is that he is afraid his area representative will get him into trouble or will tell us too much, or something of that kind. But the point is that information is being concealed which every member of the House has a right to have. As I said, we are the elected representatives of the people and are entitled to this kind of information.

While on the Opportunity for Youth program, I learned today that there is going to be a lot of concealment of financial information regarding programs. I am told that this year only projects costing $15,000 and up are going to be audited. Just imagine, Mr. Speaker, any project worth only $6,000, $8,000 or $10,000 is not going to be audited; the people in charge will be home free! Last year there was a floor of $25,000 and up, and only those projects were audited. The taxpayers' money is being used to finance projects that are not even audited. This again is concealment of information. There is no access to information here. I am told that the Secretary of State's department asked the Department of Supply and Services audit services bureau to audit only those projects costing $15,000 and up and said that they should forget about the others. This is ridiculous and I was unaware that this sort of thing was happening today. Certainly spot audits should be made of projects.

Last year I refused to deliver the cheque for a project because a U.S. draft dodger was in charge of it. However, the government forwarded the cheque to him and as a result I asked some questions about the project. Let me give you two answers I received. I was told it was not the policy of the department to divulge publicly either the name or the place of residence of each employee of a project. Why are we not entitled to that information? I asked whether an audited statement was available, and from whom. I was told that the audited statement would be prepared by the Department of Supply and Services,

but this statement constituted an internal document for the use of the department and other government agencies only. How often do we hear that answer? We cannot get the information because it is for the use of the government. I suggest this is concealment of information.

• (1710)

Why was I not told on that occasion that only projects involving $25,000 and more were audited? I understand this particular one was audited because I asked that question. When I put the question on the order paper, I sent a copy to members of the civil service who knew what I was doing. That is the reason this particular one was looked into. Because those answers were not satisfactory, I followed up this year with more questions about the same project. These questions have been on the order paper since March 16, but I have not received an answer from that date to this. I am sure this is another example of concealment of information, or the curtailment of freedom of information.

We are happy to have these programs in our area, and we hope that in most cases they will work out all right. Out of a total of some $80,000 to be spent on these projects in our area, only those involving a total expenditure of some $60,000 will be audited. I will enlarge on this subject later on at the proper time and place. When we realize that the Opportunities for Youth program involves the expenditure of $34 million this year, with only a small percentage of that expenditure audited, it is time some serious thought was given to steps to correct the situation.

Another matter which has been brought to my attention is the fact that the National Harbours Board annual statement for 1971 has not yet been tabled. According to the law passed by Parliament, that statement should have been tabled by March 31, 1972, yet some three months later this report has still not been tabled. This is a violation of the regulations of this House. This is concealment of information. I am told the reason it has not been tabled is that the Auditor General cannot certify the financial statement contained in the National Harbours Board report.

Mr. Baldwin: What about the Northern Canada Power Commission?

Mr. Hales: That is another matter for concern. This involves an attempt to conceal information, hide the facts or sweep them under the carpet, and it is not right. It is contrary to the rules and regulations of Parliament. I could go on with other examples, but I do not wish to take the time of the House to do so. I could talk about contingency vote No. 5.

Mr. Baldwin: What about Deputy Minister's salaries?

Mr. Hales: We cannot find out what a deputy minister is paid today. We can find out within a certain range but we cannot pin it down exactly. There is no difficulty in finding out what Members of Parliament are paid. That information is published all across the country so everyone will know. Deputy ministers are paid more than Members of Parliament, but we cannot find out how much they are paid.

In connection with contingencies votes, at the end of the year the reserve for retroactive salaries, or the balance thereof, is transferred to the reserve account. I think the last amount was $100 million. Once that amount gets into that reserve account, there is no accounting for it. This is a very complicated matter and I will not take the time of the House to go into it further.

Those are a few of the things that have come to my attention. My participation in this debate was brought about by the refusal to divulge information to which every member of this House should be entitled. For that and other reasons I was happy to take part in the debate.

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker in entering this debate I will adhere to the 15-minute rule we agreed upon earlier in the day. The terms of the motion indicate that this House, conscious of the failure of the government to keep Canadian people and Parliament adequately informed, urges that steps be taken by legislation and otherwise to provide clear rules for freedom of information with regard to public business. I would submit that, therefore, the most meaningful step to be taken is an examination to understand the rules and procedures of the House as they exist now in affording opposition members the opportunity to get information from the government through Parliament. I am dealing specifically with the area of the motion which concerns itself with the criticism of this government in respect of information given to Parliament.

In that respect, it is appropriate to point out at the very beginning the rules and procedures of this House which accrue to the benefit of opposition members in their appointed task of getting information from the government. To begin with, in the number of days which make up each session there is now allotted a fixed number of opposition days, divided into trimesters. There are, in addition, certain days set aside for debate on the Speech From the Throne and for the budget debate. It is well known that on all of those days the input in the debate of this House is controlled by the opposition. It is a time when opposition members are entitled to deal with a wide range of subjects. On these days hon. members seek information on a wide variety of subjects. In addition to that, on each day, as Your Honour has pointed out on many occasions in the past, it has become the practice of opposition members to misuse Standing Order 43, taking up several minutes each day seeking the unanimous consent of the House to debate a motion of the opposition's choosing, or individual member's choosing.

Mr. Baldwin: Like the hon. member for Fraser Valley East (Mr. Pringle).

Mr. Jerome: Although rule changes in the first years of this Parliament did much to reduce the abuse of Standing Order 26, applications under that Standing Order are still made from time to time. We have a question period during which it has become the habit of the Chair to recognize in very great majority, if not exclusively, opposition members. This is not the proper time to decide whether that is the right way to conduct a question period, but the fact of the matter is that is what is done. The merits can be discussed at another time. I submit it is a significant

factor in debating this motion today that this is in fact the case. The question period is devoted almost exclusively, or certainly the majority of the time, to opposition members.

• (1720)

Three questions from the daily question period can be set aside, if the opposition so chooses, for discussion on the late show or adjournment debate. The private members' hour involves four hours per week. This combination of events, procedures and regulations of this House, I submit, gives opposition members in their quest for information through Parliament at least 75 per cent of the debating time on the floor of this House and 75 per cent of the questioning time. Three out of every four minutes and three out of every four questions as well; three out of every four hours, three out of every four days and three out of every four weeks is devoted to the opposition's occupation of the time of this House. This is something I suggest the opposition might very well reflect upon. This motion does not go into the effectiveness of the opposition in the use of the considerable regulatory provisions which benefit it in its search for information. It suggests instead, by legislation or otherwise, that further changes be made which would permit it to have greater access to information in this Parliament.

Nothing could be more ridiculous than to suggest that the opposition should have more opportunity, more facility and more access to debate and to the time of this House than it has already. Twenty-eight days out of every session are now being used by the opposition in an excessively wasteful manner to the extent that the opposition now confesses, in its most candid moments, that it has too many days on which to suggest a subject matter for debate in this House. Perhaps if the motions of the opposition are no more effective than the one today, the rule should be changed so that such days could be devoted to some other pursuit of information on the part of the opposition members because they have certainly not distinguished themselves in their search for information on these days.

In addition to that, we might consider the performance of opposition members in committees. One of the most important rule changes in the first year of this Parliament was to shift to the committees a tremendous responsibility for the consideration of legislation, for the examination of estimates and for dealing with other subjects and problems which might arise from time to time. If one wants to examine what has been done in committees, one need only examine the respective attendance of opposition members as opposed to government members. Of course, there is a vested interest on the part of government members in attending committees. They must respect the need for a quorum and the need to carry on government business. Members of the opposition have the ministers present before them. They can ask questions and pursue points. They have the opportunity to summon other officials under the minister whom they are able to question and from whom they can seek information.

Members of the opposition do not do those things they ought to do. They could take an active part by developing team work and a concerted effort in seeking the information they want. It is significant that the procedures of the

[Mr. Jerome.]

House permit any member to attend a committee whether or not he be a member of the committee. The rules give him the right to attend any committee hearing of his choice. Not only that, but he can participate if he so desires in the questioning of witnesses. That is the privilege of every member of this House, whether or not he be a member of the committee. He is prevented only from voting on a motion. In their quest for information, all members of the House, including all members of the opposition, are at liberty to attend any committee meeting.

We have gone one step further recently. We have established a set of committee schedules which was the result of a very systematic and extensive study in an effort to try, on the basis of past performance of attendance, to accommodate that solid group of members from all parties which does attend committees by reducing to the minimum the conflict of interest in respect of committees. Even this system has not accomplished anything in upgrading attendance of members of the opposition at committees where they could seek information on any subject. Every minister of the government must attend committee meetings in order to have his estimates approved. He must attend at one time or another and this is obviously an opportunity for members of the oppositon to seek information. Opposition members could attend and exert the kind of keen effort which is required in order to obtain the information they seek.

On the subject of providing information to this Parliament through the rules of this House, I would refer to the number of questions and statistics that are readily available to all members. It is interesting to compare the written questions placed on the order paper during the years of Parliament from 1957-58 through 1962-63 when the party of the mover of the motion was in power and in the years since that time. The number of questions dealt with by parliament in the period 1957-58 was 437. In the first year after their defeat in 1963, when a Liberal government came in, 1,906 questions were dealt with. In any year since this administration came to power the same kind of comparison can be made. I am safe in saying it has dealt with three or four times as many questions, and three or four times as frequently as the previous administration which put forward this motion of criticism of the supply of information to Parliament.

The record stands to show, in addition to that, that at the present time we are maintaining a 70 per cent rate of answering written questions in this House. One should bear in mind that at any given time the two or three out of ten questions which remain unanswered fall in a category which would be embarrassing to members of the opposition because of vagueness, irregularity and impossibility of answering, if not for the terrible complexity in respect of the number of man hours and expense required in answering some questions. I could read some questions from a list I have. Every one knows, however, that many of these questions require that many hundreds of man hours be spent by staff members in tabulating answers. In such cases the expense to the taxpayer would be out of all proportion to the importance of the question, even if it were possible to provide an answer which should be given in this House. At the present time seven out of every ten written questions placed on the order paper in this session

of Parliament are answered and dealt with. This is a record this government can be proud of and which every member of the Canadian public would accept as an exceptional performance by this government in supplying information to Parliament.

The last point with which I want to deal is a most telling one. Before moving on to it, however, there is another category of questions which remain unanswered in that 30 per cent. There is a list from which I could read of questions tabled which require information that has already been provided in answers given earlier in this session or in other sessions of this same Parliament, which again indicates that there are mitigating circumstances in respect of the remaining questions which are unanswered at the present time.

• (1730)

But the last, and I think most telling area in the disastrous use of the facilities of this House by opposition members in respect of their quest for information, came with the provision in 1969 of research funds to opposition parties in order to assist them in their understanding of parliamentary affairs, in order to upgrade their quest for information, and their ability to criticize government legislation and government policy. Mr. Speaker, I am going to quote from a document which is in front of me:

> In 1969 for the first time in the parliamentary system, the Canadian House of Commons allocated $195,000 to be spent on research assistance for opposition members—
>
> Most governments can find more deserving people on whom to spend $200,000 than their obvious political foes. The government of Prime Minister Pierre Elliott Trudeau was something of an exception. For many years, opposition members of all parties had complained about their obvious inability to compete with the expertise, inside knowledge, and extensive bureaucratic research resources available to the government.

This fund was provided to offset that. But the question is: how has it been used? How effective have opposition members been in their use of it? This document discusses the problems which beset the opposition, in particular the Conservative party, in its use of these facilities. The conclusion that is reached is a most telling one and, Mr. Speaker, I will quote it to you right now in closing. I submit it is most interesting because the document is a paper prepared and delivered to the Institute of Political Science by the man who was the first director of the research unit for the Conservative party, Edwin R. Black, of Queen's University. I quote:

> The Opposition Leader's personal staff, including his chief political advisor, underwent considerable change during this period, change that had serious consequences for the research office. One was the shifting of responsibility for question period from the leader's personal staff to the research office. The present Opposition Leader has been trying to change the parliamentary question period from the essential free-for-all that it was under his predecessor to a major instrument of parliamentary control.
>
> Never, however, would the opposition caucus agree on a set of basic priorities. Tory members remained a gaggle of political private enterprisers who selfishly preferred to pursue their separate ways to the electoral gallows rather than hang together and work as a united opposition. Under such circumstances it was impossible for the research office to discontinue the plethora of daily services provided to the members in favour of concentrated effort on a few party-determined issues.

I will close by simply saying—

The Acting Speaker (Mr. Boulanger): Order. I regret that the time of the hon. member has expired.

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I listened with interest to the remarks of the Parliamentary secretary who has a great deal of responsibility for the answering of questions placed on the order paper, questions that are not political but that seek information from the government. I have used that facility a great deal for many years in an effort to secure information that is useful in making a determination of how the government operates, and in making a determination of how it spends the taxpayers' dollars.

It was wonderful to listen to the parliamentary secretary. It is amazing that he did not need medical attention before he sat down, because I am sure I heard his arm break as he was patting himself so strongly on the back. I cannot agree with him on the effectiveness of the government in answering questions. There is a lot of evidence available to indicate that when the parliamentary secretary talks about three outstanding questions not being answered he, in effect, is admitting that any question that has any detrimental overtones for the government is delayed, delayed and delayed before being answered. No better example comes to my mind than when I endeavoured to determine how much the Prime Minister was using aircraft for which the taxpayers of Canada were paying. I waited through two sessions of Parliament, some 18 months, before I could secure the answer. Then, instead of getting the type of information that had been requested, I was given very minimal information so that is was impossible, without asking another series of questions, to determine exactly what use was being made of the aircraft by the Prime Minister, whether on government business, political business, or monkey business.

I had to wait 18 months for an answer, yet all that was necessary was to take the logs of the aircraft and provide the information from them. But on top of that, I never did receive information on the persons who were flying in those aircraft with the Prime Minister. I was given the number but nothing else. Apparently nobody has a right to know why or how the Prime Minister selects his company when he is flying around this country or other countries, and what are their purposes in being on the aircraft. That is none of our business. We pay the bills, but who the Prime Minister decides to carry around is none of our business.

Another example which I used in debating in this chamber on Tuesday relates to Information Canada and the number of public relations employees in the various government departments. I asked for this information. It should not be difficult to answer that question. First of all, the estimates of Information Canada could quickly supply the number of personnel in it on the date I placed the question on the order paper, February 18. And it should not have been difficult to get the number of public relations people associated with the various departments of government. It took four months to provide that information, Mr. Speaker. If you call that speed and efficiency, then I would not want to see the government start to slow down. Right now there are dozens and dozens of questions on the order paper unanswered. The hon. member for Saint John-Lancaster (Mr. Bell) gave some examples. I

will repeat them just in case the parliamentary secretary did not hear the hon. member. Some 42 questions have been on the order paper since February; 53 since March; 35 since April, and 63 since May. This is certainly not an example of efficiency in the answering of questions.

These questions seek information and nothing more. The Speaker of the House will not allow questions to go on the order paper that do anything more than seek information. In many instances the questions asked could be answered within a week, if the government wanted to put its mind to it, and information could be provided in a really effective way. But all too often the government does not want Members of Parliament to get information, because just as soon as they get it they are able to point out how the government is wasting the taxpayers' money. That is why we do not get the answers when we should get them.

I would like to turn from that to talk about the roster system. This is another one of the effective ways in which the government has made Parliament more efficient. On September 25, 1968 when the Prime Minister (Mr. Trudeau) announced the roster system for ministerial attendance during the question period, he recognized the importance of members being able to question ministers of the Crown and promised that the roster would be varied only in very exceptional circumstances.

• (1740)

Let us look at the figures for three weeks beginning May 1, May 8 and May 15. During the week of May 1 there were 18 ministerial absences, that is if absences are measured against the roster sheet. During the week of May 8, there were 25 such absences; on one day only 11 ministers were present and nine were absent. During the week of May 15, there were 19 absences, making a total for the three weeks of 62. The exceptional circumstances mentioned by the Prime Minister may have been the assumed approach of an election. Whatever they were, there was scant opportunity for members to question ministers.

The mover of this motion, when the Prime Minister announced the roster system, made the following statement which appears at page 801 of *Hansard*, on October 4, 1968. He said:

> I believe that the statement and the plan constitute a calculated contempt and an infringement of the privileges of this House, of all members of this House, including all the members of the opposition and government backbenchers, in so far as both tradition and the Standing Orders of the House are concerned.

The hon. member for Peace River said a great deal more, but that pretty well sums up what happened. The roster system has done one thing very effectively; it has prevented members of the opposition from getting the facts.

There have been many areas that the government could look at to see what happens when a government endeavours to stop the public from having information. It could be done by the roster system or by not answering questions but when it is, other people step in. This government knows better than any government in Canadian history just how effectively other people can step in and what happens when they do. Government leaks happen. At one point in this Parliament the leaks became a flood

[Mr. Coates.]

because people in the public service who felt that the public should know about certain things and who knew that Members of Parliament could not secure the information from the government, provided the information themselves.

Let me give a list of the leaks that have occurred since 1969: 1969, a research study prepared for the B & B commission was leaked to *La Presse*; sections of the study of the Housing Task Force were leaked to *Time* magazine; June, 1970, excerpts from the recommendations of the Le Dain commission were leaked to *Time* magazine; 1971, four staff members of the Special Committee on Poverty left the staff, published a conflicting report using, in part, information gathered during their official tenure; 1971, draft portions of the Gray report on foreign ownership; 1971, record of cabinet decision in reference to the Gray report; December 23, 1971, details of two 1970 cabinet documents relating to law and order and possible use of the War Measures Act, suggesting the use of the act was contemplated before the October crisis 1970, to the *Globe and Mail*; December 30, 1971, excerpts from two 1971 cabinet documents relating to the government's northern development policy for the next ten years, to the *Globe and Mail*; February 2, 1972, cabinet document on foreign ownership; 1972, official documents, not cabinet, but all classified including a document on low income housing; the Anton Sobokha file, an abortive espionage case; report on collective bargaining in the Public Service and a confidential evaluation of summer works programs, 1971, that was the Francophone university program.

These are all examples of information that was leaked. When the opposition endeavoured to get the information, they could not get it from the government and people involved in high places felt that the information should be made available to the public. The Clerk of the Privy Council and Secretary to the Cabinet, Mr. Gordon Robertson made a speech recently in St. John's, Newfoundland regarding government leaks. He justified his attack on the basis of the government's need to keep much information confidential and he said:

> In short, the collective executive that is the heart of our parliamentary system must have secrecy: it cannot work without it.

Mr. Speaker, if things are secret and should be secret, I have no argument with what Mr. Robertson says. But all too often our government considers things secret because it is politically expedient to do so and there is no justification for them being so classified. That is the problem we face in this Parliament and the thing we complain about so publicly and so often. It is the reason for this motion before us today.

Kildare Dobbs, a well-known Canadian writer, who spent a short time working for the Secretary of State (Mr. Pelletier) summed up the stupidity of confidentiality procedures in the federal government in an article which appeared in the *Maclean's* magazine in September, 1971, when he said:

> I could never quite understand by what alchemy the words rattling loose inside my head became Confidential the moment I wrote them down. But that was what happened. A few strokes of the borrowed ballpoint and presto! I was spinning state secrets out of my own innards.

And later:

With superfluous caution, they put up a smoke screen of security, mindlessly stamping everything on their desks Top Secret, Eyes Only, Secret, Confidential. As if anybody cared. Not only were these documents unreadable: many of them, on close inspection, proved meaningless.

Those are the facts surrounding the great secrecy about so much of what is happening in government today, most of which should be out in the open where it could be examined by the public. If we could get that kind of information we would not be so concerned that we would move the motion before us. However, we have moved it because we believe that this government feels it in their interests to prevent us from getting information.

The Acting Speaker (Mr. Boulanger): The hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Howe).

Mr. Howe: Mr. Speaker—

The Acting Speaker (Mr. Boulanger): Order, please. Is the hon. member getting up to speak or to ask a question?

Mr. Knowles (Winnipeg North Centre): Believe it or not, Mr. Speaker, I rose to speak.

The Acting Speaker (Mr. Boulanger): Order, please. In all fairness, I think I should recognize the hon. member for Winnipeg North Centre (Mr. Knowles).

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in view of the generosity of my friend in yielding to me I shall try to say what is mainly on my mind in five minutes and leave three or four minutes for him to make his speech.

I should like to say that I believe this has been one of those debates in which good speeches have been made on both sides of the House. I have no hesitation in saying that even though he was speaking in a political vein, the Parliamentary Secretary to the Privy Council (Mr. Jerome) scored some very strong points. I should also like to commend the hon. member for Gloucester (Mr. Breau) on his speech. I thought his analysis of information of various kinds was good, and I thought his description of the daily question period was one to which we should pay some attention. On this side of the House, the hon. member for Peace River (Mr. Baldwin) introduced the debate with a very constructive speech. I believe my friend and colleague, the hon. member for Surrey-White Rock (Mr. Mather), also made some very valuable and very helpful suggestions. I also think one of the highlights of this afternoon was the speech made by the hon. member for Fundy-Royal (Mr. Fairweather). I could go further, but I think I have gone far enough to demonstrate my point that good speeches have been made by members on both sides of this House.

• (1750)

I could go into this matter at length but I have agreed to be short, so may I concentrate on two areas in which I think we could make a real effort to improve things. Both relate to the question of information being provided to Parliament.

First, may I support the hon. member for Saint John-Lancaster (Mr. Bell) and other hon. members who suggested that the roster system is for the birds. It is not so much the non-attendance in this House of ministers on a certain day when members want an answer to a particular question that bothers me, but, rather, the downgrading of the question period which is produced by the non-attendance of a third of the ministers every day, and frequently by the non-attendance of half the ministers.

I think we ought to accept the criticism of the hon. member for Gloucester who suggested that opposition members do not always ask the brightest questions. I suggest, however, that upgrading the question period is a responsibility that must be shared on both sides of this House; and, just as the questions of hon. members on this side ought to be good and sharp, and aimed at advancing good ideas and at getting information as well as at advancing political points, so the government should take the question period seriously. That means that all the ministers ought to be here almost every day. If it does not happen in this Parliament, then, in the next Parliament I hope this roster will be torn in shreds; I hope we will return to the old system and that all ministers will be prepared to answer questions every day the House sits.

Some hon. Members: Hear, hear.

Mr. Knowles (Winnipeg North Centre): That is a simple request, Mr. Speaker, and merely needs the exercise of the will to achieve it.

My other point is this: We should take a really good, hard look at how we handle estimates. I agree with hon. members on the other side who suggested we have improved the parliamentary process with respect to legislation. I think the committee arrangements and report stage arrangements we have made are good. I also agree that committees do good investigative work, and are to be commended. I think those processes are good. But the process by which we handle estimates, to put it mildly, leaves a great deal to be desired.

Let us not deal with this matter by suggesting that the government is all right and that the opposition is all wrong, or vice versa, or that we should keep this system or go back to the old system, although the old system was better for its time. I think that, somehow, members of parliament must become involved in the whole process in relation to the estimates. We may even need to modify the sacred concept of government responsibility and make provision for members to become involved in the preparation of estimates. The blue book of estimates is a big one, Mr. Speaker. The President of the Treasury Board (Mr. Drury) has told us he has given us more information than we can possibly digest. Yet the book really does not tell us how departments of government build up their lists of expenditures and how the decisions are made that determine how the taxpayer's money is spent. Mr. Speaker, I am not defending the present system or the old system; I am trying not to be partisan; I am merely asking for a new study of the whole question of how we vote the money for which Parliament is responsible. Perhaps we shall need to examine estimates on a two-year basis, instead of a one-year basis. Possibly, we should go for an examination of the estimates of each department once every three or four

years. Perhaps we shall have to tear up the whole system we now have with respect to estimates and come up with a brand new technique. I hope that somewhere, somehow, we can do this, and we should get at it very soon. I could continue, Mr. Speaker, but my hon. friend from Wellington-Grey-Dufferin-Waterloo (Mr. Howe) is seeking the floor, so I yield to him.

Mr. W. M. Howe (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I am sorry I was instrumental in curtailing the speech of the hon. member for Winnipeg North Centre. I wish to talk about a request, I placed on the order paper, with respect to which I was not given adequate replies. In three and a half minutes it will be somewhat difficult to put my case on record. The matter has to do with the second international airport for Toronto.

Some weeks ago, I put on the order paper the following notice of motion for the production of papers:

> Than an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all correspondence, memoranda, special study reports between the Government of Canada or any department thereof and the Government of the Province of Ontario relating to the question of the second international airport in the Province of Ontario.

The notice of motion is dated April 13. After I prodded the minister a great deal, he said he was willing to accede to my request and to make that information available to this House. Not until May 24, did I obtain that reply.

The reply disturbed me, Mr. Speaker. After all, considering that the studies were said to have extended over months and even years, since the second airport would be a most expensive proposition running into the billions of dollars, I expected more than was given to me. I was told that the studies had gone on for a long time, yet what did I obtain? The minister's return consisted of a neat package of press releases, ministerial letters, and so on. For instance, consider this release headed, "Transport Minister Don Jamieson discusses Toronto's second international airport with area Members of Parliament". It reads:

> Transport Minister Don Jamieson met last Friday with Norman Cafik, M.P., Ontario (riding), Barnett Danson, M.P., York-North and John Roberts, M.P., York-Simcoe to discuss aspects of the Federal Government's plan for the development of a second Toronto international airport—

That is playing politics. Those members represent constituencies in the area. I asked several times for a complete study of the matter and suggested that the Standing Committee on Transport and Communications should sit down with the people in the areas concerned and discuss with them a project as big as this. That did not happen. However, according to the press release, the minister discussed the matter with three hon. members representing affected constituencies.

Consider the following headline carried in a Toronto newspaper, Mr. Speaker: "High-priced advice taken on airport, McKeough asserts". Mr. McKeough tabled some documents in the Ontario Legislature, in Toronto. He provided more information than the minister. According to the post office scale, the package the minister provided weighs two pounds four ounces, whereas the documents Mr. McKeough tabled weighed five pounds. Mr. Speaker, I feel that information that ought to have been made available was not made available with respect to a decision as important as the one involving the new Toronto international airport on which we will spend possibly billions of dollars.

The Acting Speaker (Mr. Boulanger): Order, please. It being six o'clock it is my duty, pursuant to Standing Order 58(11), to inform the House that proceedings on the motion have expired.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, June 15, 1972

The House met at 2 p.m.

PRIVILEGE

MR. MACKASEY—CORRECTION OF PREVIOUS ANSWERS CONCERNING SUICIDE OF ALICIA WIERCIOCH

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, I rise on a question of personal privilege based on responses I gave in the House on June 9 and June 12 to the hon. members for Edmonton Centre (Mr. Paproski) and Hamilton West (Mr. Alexander), as reported on pages 2993 and 3036 of *Hansard*, with regard to the death of Mrs. Alicia Wiercioch.

After a complete inquiry into her case I find that the information on the basis of which I answered the hon. members was not entirely correct and that my response was ambiguous and would tend to mislead the House and members of the media. This is why, Mr. Speaker, I trust you will allow me this opportunity to briefly set the record straight.

Mrs. Wiercioch applied for landed status on September 30, 1968, one month after she arrived in Canada on a six month visitor's visa. Because of procedures which were in existence at the time, her husband had to fill out an application form on his own behalf so that the entire family could be processed. This caused a delay since her husband was in Poland and had to be processed through our Geneva office which was the regional headquarters for Europe at that time.

During this delay Mrs. Wiercioch accepted work without permission after signing a written statement that she would not do so. Once she informed my department of this, she immediately could no longer be a successful applicant for landing. The department sent her a letter asking her to depart voluntarily, failing which she would be ordered to an inquiry to decide whether or not she should be deported. She had her inquiry on September 24, 1970, at which time she was ordered deported but given permission to work after she stated that she would pursue an appeal to the Immigration Appeal Board.

On March 15, 1972, the Immigration Appeal Board dismissed her appeal against deportation and declined to exercise their discretion to allow her to remain on compassionate grounds. Her attorney then made a motion to the Federal Court to have the time limit extended for submission of a motion to seek leave to appeal. This motion was still before the Federal Court at the time of her death. Because the case was sub judice the department had no intention of effecting deportation when Mrs. Wiercioch died.

I regret, Mr. Speaker, that I stated to the hon. members for Hamilton West and Edmonton Centre that she was not ordered deported for working illegally. I can assure the House that I did not give this information in bad faith but based it on the preliminary information then submitted to me by the department, which I have now found contained errors that are being investigated. I thank you, Mr. Speaker, for allowing me to set the record straight.

Mr. Speaker: Order, please, I see the hon. member for Hamilton West seeks the floor in order, I assume, to discuss this important matter. I am not sure that the matter was raised correctly by way of a question of privilege. Perhaps it would have been better had it been raised by way of a statement on motions, which would have permitted the hon. member for Hamilton West to respond. With the consent of the House, perhaps we might deem that the minister's statement was made on motions, which would allow the hon. member for Hamilton West to speak in reply.

Some hon. Members: Agreed.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I think it is in order for me, on behalf of my party, to thank the minister for setting the record straight. Unquestionably there was a conflict of evidence which raised many questions in the minds of many people about our whole immigration procedure. Because of what has happened, and because of the outdatedness, if I may use that expression, of our immigration procedures, especially those relating to deportation orders, I hope the minister will make sure that there will be early implementation of those amendments that he believes will make the Immigration Act more acceptable so that in the long run equity will prevail and the act will work more expeditiously.

I would hope that the minister has learned how his departmental officials work. I do not know what action he intends to take, but he has certainly been misled. I notice the minister has drawn his thumb across his throat, indicating that someone is in trouble. It is right that this should be so because of the seriousness of this matter in that this person, who had great respect for this country and wanted to live here in freedom, decided, because of the hangups in the present immigration laws, to take her own life.

• (1410)

I again thank the minister for attempting to set the record straight with regard to this matter.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I, too, thank the minister for his statement, but I think this tragic episode underlines the necessity for a thorough review of the whole question of immigration procedures. A serious problem arises, as the minister knows, owing to the fact that in large urban communities such as Toronto there is a lengthy delay following the decision of an immigration officer in the special inquiry to which a person is entitled.

I know the minister is making moves to deal with this problem, but I think the whole policy regarding the issuance of work permits to people while they are waiting, through no fault of their own, for these lengthy procedures to determine their rights should be reviewed.

I suggest to the minister that the time has come to review the policy of allowing the final discretion as to clemency in these matters to remain with what is in effect a court of law. I think that Parliament made a mistake when it deprived the minister of the final right to extend clemency in especially hard cases. I hope that the whole situation will be reviewed because the present situation is entirely unsatisfactory. It is unfair to immigrants and I think it is unfair to the people of Canada.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I fully agree with the remarks that the hon. member for Greenwood (Mr. Brewin) has just made about the minister's statement concerning immigration. Indeed, immigration regulations should be revised and carefully considered in order to enable immigrants to identify themselves quite easily with our society and prevent undesirables from entering Canada.

In my opinion, the proposal made by the hon. member for Greenwood is fully justified and I suggest that the government and the minister should follow up that matter as soon as possible.

[*English*]

MR. MUIR—INACCURATE INFORMATION IN BOOKLET, "ON THE ROAD"

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I rise on a question of privilege affecting all members of the House, particularly those from Atlantic Canada. It relates to a publication, sponsored by the Minister of National Health and Welfare (Mr. Munro), produced at the expense of the Canadian taxpayer and distributed free of charge by Information Canada and the Department of National Health and Welfare.

The publication in question is entitled "On The Road" and is supposed to be "a guide for youth travelling Canada." The news release that accompanied this booklet states as follows:

> The booklet has been designed to present helpful hints, in a comprehensive but simplified manner, to Canadian youth on the move ... whether the trip is long or short, whether walking, driving or riding a bicycle, Canadian youth will find the map section of particular value.

My question of privilege deals with the information contained in the map section of the booklet. On checking the maps of the Atlantic area, I was absolutely astonished to see that the city of Sydney, in my constituency on Cape Breton Island, is designated as being over 300 miles away on mainland Nova Scotia in the historic Lunenburg area. Having removed the city of Sydney, they attempt to eliminate Cape Breton Island by disposing of the Canso causeway. I want to tell the Minister of National Health and Welfare that efforts to ignore us will in no way eliminate us. I might also add there were fears expressed at the time the Canso causeway was constructed that the remainder

of Canada might try to swallow our island as Jonah was swallowed by the whale.

In view of the fact that I have mentioned Sydney, Lunenburg, the Canso causeway and Cape Breton Island, which are all part of Canada's ocean playground, I should like to inform those who prepared the booklet that I am somewhat dubious about some of the instructions. For instance, on page 4 the booklet states: "Drowning is unhealthy".

Some hon. Members: Oh, oh!

Mr. Muir: We in Cape Breton consider it fatal. It would be bad enough if the only mistake made was to remove Sydney from Cape Breton Island and put it on the south shore of Nova Scotia, but that is not all. They have taken the town of Truro and moved it from the Minas Basin to the center of Nova Scotia where Mount Thom was when I was last there. They have taken the Scottish heritage from New Glasgow and, apparently aware of the recent controversy over the sale of Grassy Island to an American, they have replaced the Scottish name with a bovine heritage and named it New Glas-cow!

I would like to stop there if I could, Mr. Speaker, but I cannot. Dalhousie has been moved from New Brunswick and appears to be in Quebec. Newfoundland has a new abbreviation—N.F.—apparently in keeping with the government's policy toward that province. I assume it stands for "No fish."

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member's question of privilege is obviously receiving a very sympathetic response from all hon. members, and I would not want to limit unduly his right to express his views with respect to the matter he is bringing to our attention. Nevertheless, to this point I find some difficulty in recognizing the question of privilege, in other words, precisely how the hon. member's parliamentary privileges have been infringed. I hope the hon. member will not pursue the matter much further. I gather that he is coming to the end of his statement.

Mr. Muir: Thank you, Mr. Speaker. I truly respect your opinion, as you well know. I shall not take much more of the time of the House in outlining the shocking discrepancies in the map section, but I must refer to one other inexcusable inaccuracy which appears on page 31 of the booklet in reference to hospitals in Nova Scotia. The booklet lists only two hospitals in Nova Scotia and they are both mental institutions.

Some hon. Members: Oh, oh!

Mr. Muir: This makes me wonder whether the author of the book felt any of the youths visiting our province would require this type of treatment. It might also suggest that when the individual or individuals concerned were preparing the booklet they were on a trip of the variety examined by the Le Dain Commission and not the type of trip I hope the youth of today will be making this summer. Still further, the mental institution referred to in the city of Halifax is not given its correct name, nor is it located at the address given. If anyone were to try to find this

institution, he would certainly need its facilities before he finally got there. It would be amusing if it were not so serious.

In recent days there has been growing concern about the usefulness of Information Canada. If there was ever an example of its uselessness, this booklet is certainly it.

Mr. Speaker: Order, please. The hon. member is now arguing a case against Information Canada. I wonder how this can be related to parliamentary privilege. Hon. members must realize that parliamentary privilege arises from a very special case which might be made out successfully at times by hon. members. A responsibility rests on hon. members who believe they have a valid question of privilege to state what the privilege is as quickly as possible.

Mr. Muir: I fully agree, Mr. Speaker, with the statement you have made, but I am sure you will agree with me that no more grievous blow could be dealt a Member of Parliament than to remove the largest city from his riding and reflect on the people he represents. Day after day the evidence piles up. It is appalling that Canadians should be so irresponsibly misinformed. I believe that not only the people I represent in Cape Breton-The Sydneys but other people in Cape Breton Island, in the Province of Nova Scotia and, indeed, in Atlantic Canada have been outrageously insulted.

It is because I am utterly opposed to the operations of Information Canada that it is my intention to file with the House a notice in opposition to vote No. 25 of the Department of Supply and Services appearing in the estimates for the fiscal year 1972-73, which involves the expenditure of $10,354,000 for the operation of this agency.

• (1420)

Mr. Speaker: Order, please. The hon. member has given notice of his intention to file a notice on the order paper. That, I assume, would be the remedy that he is seeking. Therefore the Chair will have to rule that the matter cannot be pursued further as a question of privilege. I am sure the hon. member will agree with that ruling.

ROUTINE PROCEEDINGS

IMMIGRATION

PROPOSED COMMITTEE INVESTIGATION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I wish to propose a motion under Standing Order 43. The need for the motion has been quite apparent during the point of privilege raised by the minister, for which I give him credit, and during the remarks following. It is a motion of pressing and urgent necessity for which I am seeking unanimous consent. The administration of the Immigration Act and regulations has created confusion and misunderstanding, as evidenced by numerous incidents which have become public knowledge recently. The motion I shall move if unanimous consent is given is as follows:

Inquiries of the Ministry

That a special joint committee of the Senate and of the House of Commons be appointed to examine and report upon the present administration of the Immigration Act and regulations and make recommendations designed to bring about suitable changes; and that the committee have power to report from time to time, to appoint subcommittees, to send for persons, papers and records and to print such papers and evidence from day to day as may be ordered by the committee; and that a message be sent to the Senate requesting their Honours to unite with this House for the above purpose, and to select, if the Senate deems so advisable, some of its members to act on the proposed joint committee.

I have struggled to remove any controversial or hostile comments from the motion, and if there is unanimous consent to accept it I would be glad to have that done without debate at this time.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

* * *

HOUSE OF COMMONS

TABLING OF FIFTH REPORT OF CLERK OF PETITIONS

Mr. Speaker: I have the honour to inform the House that the Clerk has laid upon the table the fifth report of the Clerk of Petitions.

ORAL QUESTION PERIOD

[*Translation*]

LABOUR RELATIONS

QUEBEC—LONGSHOREMEN'S STRIKE—POSSIBLE RECOURSE TO ARBITRATION—INTERVENTION OF MINISTER

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I wish to ask a question of the hon. Minister of Labour.

In view of the extremely important situation that prevails in the harbours of Montreal and Quebec City, I should like to ask the following question of the Minister of Labour: since the deadlock between ship owners and longshoremen seems to be dragging on, and since both parties stated that they were prepared to go to arbitration, though they have not yet started any proceedings in that direction, can the minister tell the House how, in his opinion, that dispute will be settled without his personal intervention?

[*English*]

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, I do not accept all of the premises in the hon. member's question. Both parties have not agreed to arbitration. I am staying in very close touch with the situation and I hope some movement may take place soon.

[*Translation*]

Mr. Valade: Mr. Speaker, I rise on a question of privilege or a point of order, whichever the Chair decides.

The minister has just said that both parties have not agreed to arbitration. I should like to refer the House to page 3124 of yesterday's *Hansard* where the Minister of Labour is reported to have said:

—The Maritime Employers' Association has expressed its willingness to arbitrate. It has, however, not initiated the proceedings. The International Longshoremen's Association has put its position somewhat in this fashion, that it is open to the other party to initiate proceedings but the longshoremen do not themselves wish to initiate these proceedings.

Mr. Speaker, the minister has just answered that the two parties did not speak of their intention to resort to arbitration—

Mr. Speaker: Order. The hon. member might put a supplementary question. To my mind, an apparent or obvious contradiction in the information given to the House cannot be considered as a point of order or a question of privilege. The hon. member might perhaps want to put a supplementary question to the minister.

Mr. Valade: Mr. Speaker, I should like to ask the Minister of Labour to kindly throw light on the present position of the longshoremen and ship owners, that is to say to tell us whether one or the other party has indicated its wish to resort to arbitration and whether one or the other has undertaken procedures to that effect?

[*English*]

Mr. O'Connell: Mr. Speaker, I cannot add anything to the statements and answers I gave in the House yesterday. I would simply say to both parties that they have an obligation under the law and under their agreement to either singly or jointly arbitrate the difference that has arisen between them. They owe that obligation not only to themselves but to the community of Montreal and to the country which is gravely affected by the unwillingness of either or both to take the action that is clearly in front of them and which they should be taking now.

[*Translation*]

Mr. Valade: Mr. Speaker, I should like to put another supplementary question to the minister. In view of the importance of the problem, I know that the minister will readily give a clear and specific answer. Can he tell the House whether one of the parties has let it be known that it would be ready to resort to arbitration, if he would personally intervene?

[*English*]

Mr. Speaker: Order please. The hon. member for Saskatoon-Biggar on a supplementary.

[*Translation*]

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

I think that the minister was ready to answer, but he needed a few seconds to think over what he would say. I feel that the minister should answer.

Mr. Speaker: Such is not my impression.

[Mr. O'Connell.]

[*English*]

QUEBEC—LONGSHOREMEN'S STRIKE—SUGGESTED TAKEOVER OF LONGSHORING OPERATIONS BY GOVERNMENT

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, last week I directed a question to the minister in charge of the Wheat Board asking whether he would act on the request of the National Farmers Union, that the government should take over the operations of the stevedoring firms at the St. Lawrence ports and carry on operations until such time as an agreement is reached between the operating firms and the workers. Is the minister now ready to give consideration to and act on that request?

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, the answer is no, I am not considering that step.

[*Translation*]

QUEBEC—LONGSHOREMEN'S STRIKE—INQUIRY RESPECTING MEETING BETWEEN MINISTER AND PARTIES

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a supplementary question.

I know that the minister is closely examining the situation in Montreal. Yesterday, he answered rather precisely the questions directed to him but I would like to ask him whether he has communicated with the employers or the union representatives and whether he expects that an agreement will be reached by the two parties involved?

[*English*]

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, I have not had any direct communication with either of the two parties. I simply state that the settlement of this dispute is in their hands, and that is where it belongs. They should get together and bring about a settlement of the dispute.

Mr. Speaker: Order, please. There are five or six supplementary questions. We will try to proceed in an orderly fashion. I will first recognize the hon. member for Témiscamingue and then return to the hon. member for Saskatoon-Biggar for a supplementary to his question.

[*Translation*]

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

Can the minister say what is keeping both parties from meeting in order to reach an agreement?

[*English*]

Mr. O'Connell: Mr. Speaker, I rather think I fully explained that situation yesterday and I have not very much more to add to that.

QUEBEC—LONGSHOREMEN'S STRIKE—SUGGESTED TAKEOVER OF LONGSHORING OPERATIONS BY GOVERNMENT

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, in view of the evident unwillingness of the Minister of Labour to act effectively in this situation may I ask the minister in charge of the Wheat Board whether he can

assure members of this House that grain exports will not suffer as a result of the continued inoperation of those ports?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the movement of feed grain is proceeding through alternate ports in the east, as well as at very rapid rates through other ports. Naturally the capacity for moving grain into export at any moment in time is less without these facilities, but the alternate facilities are being operated long hours at their fullest possible capacity to try to carry the load.

• (1430)

Mr. Raymond Rock (Lachine): Mr. Speaker, my supplementary is directed to the Minister of Labour. Does he intend to continue the government's laissez-faire policy and allow an illegal strike to remain unsettled by default and the usual government capitulation in these matters?

Mr. Speaker: Order, please. That obviously is not a question. The hon. member for Joliette.

[*Translation*]

QUEBEC—LONGSHOREMEN'S STRIKE—SUGGESTION THAT MINISTER REQUIRE PARTIES TO RESPECT OBLIGATIONS

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a supplementary question.

Since the minister has said clearly that both parties had obligations concerning the public, will he compel them to respect them?

Mr. Speaker: It seems that many questions are basically repetitions of those put previously and that the question of the hon. member for Joliette has been put earlier today.

[*English*]

For the moment the Chair will recognize the hon. member for York South. If there is a disposition on the part of hon. members to return to this matter later we will do so.

Mr. Lewis: Mr. Speaker, in the absence of—

Mr. Speaker: Order, please. I apologize to the hon. member for York South.

[*Translation*]

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

Mr. Speaker: Is the hon. member for Joliette rising on a question of privilege?

Mr. La Salle: Yes, Mr. Speaker.

I realize many similar questions have been raised but I believe those concerned are most eager to know whether the hon. minister is going to take a stand regarding the conflict. I just wanted to ask the hon. minister whether, without replacing the parties concerned, he will at least hold them to the commitments he has mentioned.

Inquiries of the Ministry

Mr. Speaker: I must say again that I consider that question has already been raised.

* * *

[*English*]

HOUSING

PROPOSED AMENDMENTS TO ACT—NATURE OF PRIOR CONSULTATION WITH PROVINCES—PROVINCIAL REACTION

Mr. David Lewis (York South): Mr. Speaker, in the absence of the Minister of State for Urban Affairs, who according to the roster should be here today—I am sure he is away for good reason—I wish to pose a question to the Acting Prime Minister on the assumption that the matter was discussed in cabinet and he would know some of the answers. In view of the fact that Mr. McKeough, the provincial treasurer for Ontario, stated in the legislature yesterday that it would be incorrect to say the province had been consulted about the proposed amendments to the National Housing Act, would the Acting Prime Minister inform the House what exactly was the nature of the consultation the federal government and the provinces had in respect of these amendments and whether any provincial governments made substantive comments, criticisms or suggestions when they saw the proposals?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, this is the kind of question that can be answered adequately only by the minister in charge. I will see that the question is put to him and he will answer at the next opportunity.

Mr. Lewis: Mr. Speaker, this time my question is directed to the President of the Privy Council as government House leader. We have had first reading of the amendments to the National Housing Act. I should like to ask him whether there is any intention on his part to bring the bill forward for second reading, or is it to be housing by headline for election purposes only?

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

Mr. Lewis: Mr. Speaker—

Mr. Speaker: Order, please. The hon. member knows he cannot ask a question in those terms. I again take exception to hon. members who ask a question that they should know is out of order and then, when they are called to order, seek the floor again to put it in proper terms. I think the question should be asked properly in the first instance.

Mr. Lewis: Mr. Speaker, I will not take the time now, but there is reason for my comment. May I ask the government House leader whether he intends to bring forward for second reading before the end of this month the bill amending the National Housing Act?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I have already had discussions with the opposition House leaders concerning what items of legislation will be brought forward before the end of the

month. Since that discussion the National Housing Act and one or two other items have come forward. I hope to state quite definitely next week all the items that will be called before we can look forward to an adjournment. Certainly the National Housing Act is one which has attracted a good deal of support in the country and it would be desirable to deal with it.

Mr. Speaker: Order, please. The hon. member for York South.

Mr. Lewis: I have a further supplementary, Mr. Speaker. I hope you will notice, Sir, that the sin is on both sides, if it is a sin. May I ask either the government House leader or the Acting Prime Minister—if neither one of them can answer perhaps it could be taken as notice—what I suggest is an important question. In view of the fact that most of the amendments to the National Housing Act require co-operation from the provinces as well as the municipalities and, indeed, require that funds be made available by the provinces and municipalities, may the House have a brief explanation concerning why the bill was introduced even for first reading without, as I on good information am informed, all the provinces even approving of the amendments proposed by the cabinet?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, if the legislation had not been brought forward I am sure the criticism would have been even more severe.

* * *

[*Translation*]

LABOUR RELATIONS

QUEBEC—LONGSHOREMEN'S STRIKE—ALLEGED REFUSAL OF DEPARTMENT TO ALLOW SHIPPERS TO SUE UNIONS

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to put a question to the Minister of Labour.

As recorded in yesterday's *Hansard* at page 3125, the minister said, and I quote:

—other remedies more rapid than a court proceeding were available to them.

I should like to ask him the following question. Since these other remedies are not yet known to the members of this House, would he tell us how much longer his department intends to refuse the shipowners the right to prosecute unions for calling an illegal strike?

[*English*]

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, the other measure to which I referred yesterday was the arbitration procedure. Of course, if the two parties do not wish to use this it is open to them, under their agreement and under the law, to come together and renegotiate an agreement, if that is their wish. It is not for me to intervene and suggest they reopen their agreement. That is for them. My position is that the law requires arbitration. That is the other procedure to which I referred.

[Mr. MacEachen.]

[*Translation*]

Mr. Rondeau: Mr. Speaker, I have a supplementary question.

I should like to know why his department prevents the shipowners from prosecuting unions for calling an illegal strike.

[*English*]

Mr. O'Connell: Mr. Speaker, in my view nothing would be served by going into court. That procedure was followed a few weeks ago and then withdrawn. The proper procedure, that which is required, is available to the two parties. It is a wide open procedure. It is arbitration, and that is the procedure that either or both of the parties should now adopt.

[*Translation*]

Mr. Speaker: Order. The Chair will recognize the hon. member for Shefford, after which the hon. member for Sainte-Marie will be able to put his supplementary.

QUEBEC—LONGSHOREMEN'S STRIKE—SUGGESTION THAT MINISTER ALLOW SHIPPERS TO SUE UNIONS

Mr. Rondeau: Mr. Speaker, since neither party seems to be willing to resort to arbitration, would the hon. minister allow the party which wants to bring the conflict to an end, i.e. the shipowners, to prosecute the unions, so that the courts may decide whether the strike is legal or not?

[*English*]

Mr. O'Connell: Mr. Speaker, of course I am always prepared to entertain applications for consent to prosecute from either party to the dispute. It is open to them to make an application at any time.

[*Translation*]

QUEBEC—LONGSHOREMEN'S STRIKE—PROPOSED MEASURES TO SETTLE DISPUTE

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, may I direct a supplementary to the minister?

In view of the disastrous effects of this situation for the country as a whole, and in particular for the city of Montreal, can the minister tell the House whether he expects an early settlement of this conflict?

Can he also say when he replies to this question whether he has consulted with his colleague, the Minister of Manpower and Immigration (Mr. Mackasey) who participated in the preparation of collective agreements and in negotiations and whether he has made suggestions to the cabinet for solutions in order to bring about a settlement of the conflict?

• (1440)

[*English*]

Hon. Martin P. O'Connell (Minister of Labour): I sincerely trust that the two parties will come to their senses, recognize their obligation to themselves and the communi-

ty and undertake the necessary steps to resolve the dispute.

Mr. Woolliams: You have that line memorized.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Hamilton West

[*Translation*]

—and then the hon. member for Joliette.

[*English*]

QUEBEC—LONGSHOREMEN'S STRIKE—REQUEST THAT MINISTER INTERVENE

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, in the light of the fact it can now be concluded that neither party is prepared to pursue the remedy available to them in the agreement and that have shown no respect for the minister's telegram, and in light of the fact that the public interest is now being adversely affected, will the minister personally intervene now, go to the parties and indicate to them that this matter must be brought to arbitration, failing which the government must intervene? Will the minister do that rather than take the indirect approach?

Mr. Speaker: Order, please. The Chair will allow the minister to reply, but again it seems to me that this question has been asked a number of times today.

Hon. Martin P. O'Connell (Minister of Labour): I am not contemplating that action at the present time.

[*Translation*]

QUEBEC—LONGSHOREMEN'S STRIKE—INQUIRY RESPECTING IMPOSITION OF ARBITRATION

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to ask a supplementary question.

As the minister believes that this conflict can be settled only through arbitration—and I fully agree—could he tell the House whether he will compel the parties to accept arbitration?

[*English*]

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, I think I made it clear on a previous occasion in an answer that the act does not give the Minister of Labour the power to oblige or force, which was the other word used by the hon. member, the parties to arbitration. That is not the authority I have. The law contemplates that the parties will live up to their obligations under the law.

* * *

HOUSING

SUGGESTED REDUCTION IN CMHC INTEREST RATES IN LIGHT OF PROFITS

Mr. S. Perry Ryan (Spadina): Mr. Speaker, in the absence of the Minister of State for Urban Affairs who is responsible for Central Mortgage and Housing Corporation I should like to put my question to the Acting Prime Minister. In view of the increasingly high interest rates charged under the National Housing Act by CMHC for NHA loans, and also in view of the very high profits reported by CMHC for the years 1970 and 1971, is the government considering advising CMHC to lower its interest rates on NHA loans forthwith, particularly for low-income individuals?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, these interest rates are the subject of consideration by the government from time to time, and I am sure that when they come before the government again this point of view will be borne in mind.

Mr. Ryan: Would the government consider referring this very important question of the profits and interest rates of CMHC to the Standing Committee on Finance, Trade and Economic Affairs forthwith so that consideration may be given to the over-all picture as it is now because the matter is urgent?

Mr. Sharp: No, Mr. Speaker, that is not the intention.

* * *

FINANCE

BANK INTEREST RATES—POSSIBILITY OF REDUCTION OF PRIME AND OTHER RATES—RATE PAID ON SWAP DEPOSITS

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Minister of Finance. It has to do with interest rates. In his answer on Monday he stated that he has an agreement with the Canadian banks to reduce the interest rate on certificates of deposit by a certain percentage. I should like to know if the minister can tell the House and the people whether there has been any agreement with the banks on the prime and other lending rates?

Hon. John N. Turner (Minister of Finance): No, Sir, the banks have not asked me for any acquiescence in that type of agreement.

Mr. Nowlan: I should like to ask the minister, without commenting on the great vacuum between the certificate of deposit rate and the lending rate, and in view of the fact the minister indicated earlier in the House in answer to my question that he would use moral suasion with the bankers in Winnipeg, as a result of which we did have a change in the deposit rate, whether he has received any information at all from the banks as to what they are paying for their swap deposits with the United States?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the banks are as aware of the problems with respect to swap deposits as they were with respect to certificates of deposit that they were issuing for short-term loans to them.

Mr. Nowlan: In view of the fact the minister said he was going to travel about the countryside speaking to provincial governments about their involvement with the United States securities and exchange market for dollars, is he speaking directly to the Canadian chartered banks, which

are one of the most aggressive borrowers in this whole area, to dissuade them from putting pressure on the Canadian dollar with their massive borrowings in the United States? This brings us back to the question I asked earlier.

Mr. Turner (Ottawa-Carleton): Pressure caused by the competition that the banks were exercising for short-term money has been relieved in that particular area by the lowering of the rate paid on certificates of deposit from about 6½ per cent last Friday to 5½ per cent on Monday, and that particular problem seems to be in hand.

* * *

REGIONAL ECONOMIC EXPANSION

GRANT OFFERED TO MANIWAKI FOREST PRODUCTS—NEW JOBS TO BE CREATED—LEGALITY OF GRANT

Mr. John Burton (Regina East): Mr. Speaker, I wish to direct my question to the Minister of Regional Economic Expansion. Has the minister investigated the development incentive grant of $181,000 offered by his department to Maniwaki Forest Products Limited in view of the fact that the grant includes a sum of money for the creation of new jobs while the manager of the plant has said that the number of employees will not be increased? Could he report on the situation?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, the situation is very, very simple; without this grant, the plant would be closed and 170 workers unemployed. By giving this grant, we were creating 170 jobs.

[*English*]

Mr. Burton: Would the minister agree to subtract the figure of 74 from his estimate of the number of new jobs created through the program, and would he also undertake to inform the House—

Mr. Speaker: Order, please. Perhaps the hon. member might like to rephrase the supplementary question. Certainly the first part is not in order.

Mr. Burton: I should like to ask the minister a supplementary question. Has he obtained a legal opinion from the Department of Justice to ensure that within the terms of the legislation now in effect he can make a grant of this sort under these circumstances under the Regional Development Incentives Act?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, the department has its own legal advisers and up to now they have never indicated that there was any doubt as to the right interpretation of the act.

[*English*]

Mr. Burton: I have a further supplementary question—

Mr. Speaker: Order, please. We have to try to make some progress. The Chair will allow the hon. member for Regina East to ask a supplementary question, but hon. members will recognize that a number of questioners are seeking the floor. I suggest to hon. members that perhaps we should try to limit supplementaries.

Mr. Burton: Mr. Speaker, I have one further short supplementary question. Would the minister undertake to consult the Department of Justice in order to make sure that he is not contravening the terms of this act?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, unless the legal advisers of the department express doubts as to the legality of the action taken by the administrators, I do not see why—because the hon. member should wish to obtain some legal advice—I should have to ask for it.

* * *

[*English*]

HEALTH

POSSIBILITY OF COST-SHARING FOR ONTARIO HOME CARE PROGRAM

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I have a question for the Minister of National Health and Welfare. In view of the galloping increase in health care costs and in light of his statement yesterday that Ontario's coverage of nursing home care may be considered for some degree of cost-sharing, will the minister advise the House whether such an extension would cover as well the Ontario home care program which is intended to remove the burden of patient care from overburdened hospitals and nursing homes?

Hon. John C. Munro (Minister of National Health and Welfare): What I did indicate was that the first proposal being a component of the over-all health cost proposals of the federal government to the provinces it would provide for federal financial contributions toward various kinds of intermediate care, and possibly nursing homes would be one example. I was pointing this out as an example of why I thought we should expect a favourable reaction from the provinces to our proposal.

Mr. Speaker: The hon. member for Bellechasse.

Mr. Rynard: I want to thank the minister for this answer—

Mr. Speaker: Order, please. I call again on the co-operation of hon. members to limit the number of supplementary questions. The hon. member for Simcoe North may ask a brief supplementary.

• (1450)

Mr. Rynard: Will the minister say how long it will be before he will extend this program in order to cut down mounting health care costs?

Mr. Munro: We feel it is very good proposal, and I am glad to hear that the hon. member does as well. I am sure he will join with me in wishing that the provinces will agree to it as soon as possible.

[*Translation*]

UNEMPLOYMENT INSURANCE

QUEBEC—CONTRIBUTIONS OF SEASONAL EMPLOYEES—AGREEMENT BETWEEN FEDERAL AND PROVINCIAL AUTHORITIES

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a question for the hon. Minister of Manpower and Immigration.

In view of the fact that the seasonal employees of the Quebec Department of Roads are not eligible for benefits under the Unemployment Insurance Act, may I ask the minister whether there are discussions at the present time with the Quebec government aiming at settling this problem and having this group of workers covered under the Unemployment Insurance Act?

[*English*]

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, I think the hon. gentleman's information is either incorrect or incomplete. To the best of my knowledge, all Quebec civil servants are covered by unemployment insurance. Perhaps after the question period we could pursue the matter at greater length.

[*Translation*]

Mr. Lambert (Bellechasse): I have a supplementary, Mr. Speaker.

I accept the minister's reply that my information is wrong, but I would like to ask him the following question. If the seasonal workers, whom I have just mentioned are covered by the Unemployment Insurance Act, how is it they have not all been informed of this and keep making representations to us on this matter?

[*English*]

Mr. Speaker: Order, please.

* * *

ADMINISTRATION OF JUSTICE

KILLING OF TANYA BUSH—INQUIRY AS TO INVOLVEMENT OF PENITENTIARY INMATE ON TEMPORARY LEAVE—PAROLE POLICY

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to put a question to the Solicitor General in reference to information I have received from British Columbia about a young girl named Tanya Bush who disappeared and whose body has now been found. Has the minister anything to report to the House on whether any of the penitentiary inmates who were given temporary leave have been connected with the foul play resulting in the death of this young girl?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, I have been informed by the RCMP that an investigation is being made and, of course, I would not like to interfere with the police investigation. I asked the Commissioner of Penitentiaries to make a complete report on an inmate who may be considered as suspect. I have also asked the Chairman of the Parole Board to send me any available records on that person.

Whatever the case may be, I would like to express my heartfelt sympathy to the young girl's parents, considering her father is a member of the Canadian Penitentiary Service.

[*English*]

Mr. Woolliams: I agree with the minister in this regard but I am not seeking information about the investigation. I hope the minister will make a statement in reference to these temporary leaves and the parole system as it is working today because there have been several news items across the nation indicating that people given temporary leave over the weekend have just disappeared. I think we are entitled to know how this system is working, particularly as there seems to be some suggestion of foul play in reference to Tanya Bush.

[*Translation*]

Mr. Goyer: Mr. Speaker, I have given answers on many occasions concerning the temporary leave program, which has worked out wonderfully in 99 cases out of 100. I answered all questions on this matter before the House of Commons committee when my departmental estimates were being discussed.

* * *

[*English*]

POLLUTION

REPORTED OIL SPILL AT RESOLUTE BAY—STEPS TO MINIMIZE DAMAGE—APPLICATION OF PROPOSED REGULATIONS UNDER NORTHERN INLAND WATERS ACT

Mr. Doug Rowland (Selkirk): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. Can the minister inform the House of the amount of damage done by the spilling of 40,000 gallons of oil at a tank farm located at Resolute Bay in the Northwest Territories, and can he also inform the House as to what steps are being taken to minimize the damage and to repair any already done?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I will inquire and supply particulars to the hon. member, but I wonder if that concerns Resolute Bay. Should it not be Spence Bay?

[*English*]

Mr. Rowland: According to my information it is Resolute Bay. While the minister is looking into that matter, could he also check another point? On May 24 in reply to my question he said that, while the regulations under the Northern Inland Waters Act had not yet been proclaimed, companies in the north had been instructed to abide by those regulations as though they were in force. I should like the minister to indicate to the House whether the tank farm and the oil transfer line involved in the spill comply with those regulations and, if so, is consideration being given to modifying the regulations in order to prevent such occurrences in the future?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I can hardly answer that question because the hon. member refers to an act which does not apply under the circumstances. I will meet him after the question period and I will then be able to obtain further particulars.

* * *

[*English*]

YOUTH

REQUEST FOR WITHDRAWAL FROM DISTRIBUTION OF BOOKLET "ON THE ROAD" AND FIRING OF THOSE WHO PREPARED IT

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I should like to pose a question to the Minister of National Health and Welfare in regard to the subject I raised earlier today on a question of privilege. The pamphlet or publication entitled "On The Road" has a notation on the back cover, "Published by the Authority of the Hon. John Munro, Minister of National Health and Welfare". May I ask the hon. gentleman to issue orders immediately to cancel distribution of this jokebook across Canada? Would he also cause an investigation to be carried out to ascertain who the incompetents were who made up this map, this distortion and abortion, and fire them immediately and thus save the taxpayers some money?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I do not agree with many of the comments of the hon. member. Perhaps he would like to get in contact with many of the young people travelling across the country who have already used this book and found the information most helpful.

Some hon. Members: Oh, oh!

Mr. Crouse: You've got to be kidding!

Mr. Munro: Certainly it is helpful in combating some of the diseases articulated in the booklet and certainly it is helpful in its advice concerning drug abuse.

Mr. Muir: With all due respect to the minister, Mr. Speaker, I feel this is not quite what has transpired and I would suggest that he cancel the booklet immediately. We must save the taxpayers some money by not putting out junk like this. The minister had better check into it.

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a supplementary question prompted by the remark of the Minister of National Health and Welfare that he does not agree with the comments made by my colleague, the hon. member for Cape Breton-The Sydneys. Will the minister familiarize himself with the health facilities in Nova Scotia, which he should be familiar with but about which he apparently is ignorant? Through the ignorance of Information Canada the Canadian taxpayers' money is going down the drain and the minister is pushing it.

An hon. Member: You are a pusher, John!

Mr. Speaker: Order, please.

[Mr. Rowland.]

MANPOWER

LOCAL INITIATIVES PROGRAM—SUGGESTED EXTENSION OF DEADLINE TO ENABLE COMPLETION OF CONSTRUCTION PROJECTS

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. Having regard to the fact that a number of projects under the Local Initiatives Program, particularly construction projects, have had difficulty in meeting the June 16 deadline because of weather and shortage of materials, could the minister inform the House whether any consideration will be given to granting an extension to many of these worth-while projects, particularly construction projects?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, some weeks ago I announced a blanket extension for municipalities. I am prone to look with some sympathy on individual construction projects being reviewed on their merits. Provided they do not cost the taxpayer any more money, perhaps they should be completed by allowing an extension. I am inclined to look on them with some sympathy and I welcome the hon. member's representation.

Mr. Mazankowski: I can assure the House that these projects will be reviewed and extended to the point that the money that has been allocated will be used by the respective projects?

Mr. Mackasey: Mr. Speaker, I would have to make it quite clear that we would have to examine them case by case. Knowing the hon. gentleman to be a very fair individual, I would welcome his representations on behalf of his own programs.

Mr. Speaker: Order, please. The hon. member for Peace River.

Mr. Baldwin: I would hope to be recognized by Your Honour tomorrow.

* * *

POLLUTION

INQUIRY AS TO PROCLAMATION OF ARCTIC WATERS POLLUTION PREVENTION ACT

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. Your Honour will recall that some weeks ago I put a question to the Minister of the Environment asking when the Arctic Waters Pollution Prevention Act passed by the House about a year ago was going to be proclaimed. The minister, who is at present in Sweden at a very important conference, said that the Minister of Indian Affairs and Northern Development would make a statement on this matter within the next few days. Some weeks have passed and I am wondering whether the minister may have a statement for the House?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, the situation is always the same. A delay of 60 days must elapse between the publication of the list of anti-pollution zones and the proclamation. We only hope that all the conditions will be met so that the act can be proclaimed early in August.

* * *

[*English*]

SUPPLY AND SERVICES

ATLANTIC PROVINCES—POSSIBLE ADOPTION OF PURCHASING POLICY OUTLINED BY MINISTER IN LIGHT OF FREIGHT RATE INCREASES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a question for the Acting Prime Minister. In view of the impact on the economy of Atlantic Canada of eight freight rate increases in some 24 months, has the new purchasing policy outlined by the Minister of Supply and Services when he spoke on Monday on the budget debate covering freight rate payments been accepted in principle by the government?

• (1500)

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, as I understand it, the Minister of Supply and Services was stating some general objectives for purchasing which I am sure would be agreeable to the hon. member.

Mr. Crouse: May I ask a brief supplementary, Mr. Speaker. When will a formal statement of policy be made in the House on this matter?

Mr. Sharp: Mr. Speaker, I thought the Minister of Supply and Services made quite a formal statement. The budget debate is one of our more important debates, and I thought he did well.

Mr. Bell: This is old stuff.

Mr. Crouse: That statement was nothing but window-dressing.

* * *

ENERGY

PROPOSED MACKENZIE VALLEY GAS PIPELINE—POSSIBLE GOVERNMENT INVOLVEMENT IN FUNDING

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Indian Affairs and Northern Development regarding the merger of two consortiums for the construction of a gas pipeline from the Arctic area through southern Canada to the United States. Has the minister been in consultation with these consortiums, can he tell us whether there is to be any government involvement, either in equity capital or loan capital, and can he tell us what will be the proportion of Canadian investment and American investment in this project?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, my colleague, the Minister of Energy, Mines and Resources, and myself were advised a few days in advance of the merger of those two companies.

With regard to the capital required for the project, all the details will have to be given by the companies when they apply to the government for a permit. That matter will be decided by the government when it has received their proposals.

[*English*]

PROPOSED MACKENZIE VALLEY GAS PIPELINE—COMPLETION OF ECOLOGICAL STUDIES

Mr. Douglas: As each of the two consortiums had a different route in prospect and will now have to select a single route, may I ask the minister whether the ecological studies undertaken by his department have been completed? If not, when will they be completed, and what particular route do those studies cover?

Mr. Speaker: Order, please. I trust that the minister will not attempt to give all this information at this time. Normally that should be done by way of a statement on motions, and we are running short of time.

Mr. Douglas: Mr. Speaker, can the minister tell us whether the ecological studies have been completed and, if not, when they are likely to be completed?

[*Translation*]

Mr. Chrétien: Mr. Speaker, we have already told the House that the studies with regard to the construction of a pipeline for natural gas will be completed this fall and that we will then be willing to receive applications. The situation is still the same.

* * *

[*English*]

EXTERNAL AFFAIRS

DAMAGE TO FISHING GEAR BY RUSSIAN VESSELS—CONSIDERATION AT ICNAF CONFERENCE

Mr. James A. McGrath (St. John's East): Mr. Speaker, this is a very important question. Is the Secretary of State for External Affairs in a position to fulfil the undertaking he gave me on June 5, as recorded on page 2840 of *Hansard*, when he promised to report on the deliberations at the ICNAF meeting with respect to obtaining some agreement with the Russians on rules of the road in view of fishing operations which are endangering Canadians?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the matter was taken up by representatives of the Canadian and Soviet delegations at the ICNAF meeting and it was agreed between them that another meeting is to be held in the near future.

Inquiries of the Ministry

[*Translation*]

REGIONAL ECONOMIC EXPANSION

CLOSING OF CIP PLANT IN TEMISCAMING—DISCUSSIONS WITH QUEBEC AUTHORITIES AND BUSINESSMEN RESPECTING REOPENING

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to direct a question to the Minister of Regional Economic Expansion.

On June 12, as reported on page 3033 of *Hansard*, I asked him a question concerning the closing down of the CIP plant in Temiscaming. The minister answered that he would inquire and would let me hear from him yesterday. Has he anything new to report now?

Hon. Jean Marchand (Minister of Regional Economic Expansion): I think a similar question was asked Monday, Mr. Speaker, and I did answer it.

* * *

[*English*]

GRAIN

ALLEGED ELIMINATION OF CERTAIN AGENTS—REQUEST THAT SAVINGS ACCRUE TO BENEFIT OF FARMERS

Mr. Jack Murta (Lisgar): Mr. Speaker, my question is addressed to the minister responsible for the Canadian Wheat Board. As the Canadian Wheat Board appears to be making a move to eliminate grain agents in the movement of grain from Thunder Bay to eastern ports, can the minister assure the House that any savings resulting from that move will be passed on to the farmers and not eaten up by increased costs of the bureaucracy which will be incurred by the Wheat Board?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, any saving made in the movement of wheat is automatically passed on to the farmers.

Mr. Speaker: Orders of the day.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: On a point of order, Mr. Speaker, I wonder if the government House leader could at this time, despite what he said earlier about next week, indicate what is to be the business for the rest of this week and for next week. Could he also say at this time what firm commitment he can give about the date for the conclusion of this part of the session and, bearing in mind the number of government days left, what business the government hopes to have concluded by that date?

Mr. MacEachen: Mr. Speaker, today is an allotted day, as is tomorrow. In order to complete the supply period, I should like to designate the first four days of next week, Monday, Tuesday, Wednesday and Thursday, as allotted days. That will permit us to continue our discussion of government legislation afterward. On May 29, I indicated informally to my hon. friend that I hoped we could draw this part of the session to a close at the end of June. At that time I related that date to a number of items that I should like to see completed, which included the privacy legislation, the bill with respect to benefits in respect of children, the occupational training bill, the representation commissioner bill, the Wheat Board Act bill, the financial mechanisms with respect to mortgage markets bill, the election expenses bill, the foreign takeovers bill, the Canada Labour Code amendment and the Farm Credit Act.

Mr. Bell: Is that all?

Mr. MacEachen: I indicated those items at that time. They are still on my list and since then new items have been added, including the housing bill about which the hon. member for York South has shown a keen interest today. Those are the items that I should like the House to deal with, if possible, before we rise. Next week, I will be discussing with my hon. friends the possibility of additional hours of sitting in order that we can complete these items. Most of them, by the way, have been advanced quite considerably. A good number of them are at the report stage or will be at the report stage soon, so it is not an overwhelming task to complete them by a reasonable date.

Mr. Baldwin: Mr. Speaker, may I ask a brief supplementary question. As June 24, St. Jean Baptiste Day, is a parliamentary holiday when it falls on a week day, and as it falls on a Saturday this year, is the government giving any consideration to following the example of Quebec and taking the following Monday as a parliamentary holiday in order that our colleagues from Quebec can go back to their homes and celebrate this great holiday?

Mr. MacEachen: Mr. Speaker, in view of our legislative program and the short time at our disposal, I think it would be inadvisable if we were to consider taking that day away from legislation. Perhaps we could do more for Quebec by passing some of this progressive legislation.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the government House leader having to do with the number of items he listed and with his suggestion that the House might recess on June 30. Can he tell the House which goal, in his mind, has priority, getting certain legislation through or recessing on June 30?

Mr. MacEachen: Mr. Speaker, they operate in my mind simultaneously, and I am not sure that one is more important than the other.

Mr. Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. If that is the case—

An hon. Member: Do not take up the time of the Creditistes.

Mr. Knowles (Winnipeg North Centre): If that is the case, and as the minister has given us a program for July, may I ask what are we to do in August?

An hon. Member: Campaign.

[*Translation*]

Mr. Laprise: Mr. Speaker I rise on a point of order.

We had a few meetings with the other House leaders and, in my opinion, an agreement could be reached towards restricting the length of the speeches as follows: 20 minutes each for the mover and the government spokesman and 15 minutes for any other member.

Mr. Speaker: Does the House agree?

Some hon. Members: Agreed.

[*English*]

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the House that I have received the following communication:

Ottawa, June 15, 1972

Sir,

I have the honour to inform you that the Honourable Roland A. Ritchie, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 15th day of June, at 5.45 p.m., for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
Esmond Butler

Secretary to the Governor General.

• (1510)

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED FAILURE OF GOVERNMENT TO PROVIDE PROFIT-SHARING AND STOCK PURCHASE PROGRAMS

Mr. Charles-Eugène Dionne (Kamouraska) moved:

That this House deplores the fact that the government has not adopted the appropriate measures for involving workers in Canadian firms through profit-sharing and stock purchase programs as a means of promoting social stability, reinforcing our country's economy and ensuring greater co-operation between capital and labour.

—Mr. Speaker, seeing the multiplication of problems which arise in the field of employer-employee relations, we thought that it was appropriate to bring to the attention of this House a few suggestions whose effect, in our view, would be to harmonize relations between workers and employers, in areas where participation could apply.

In other areas, we are inclined to believe that a genuine labour court would help eliminate several difficulties, but

today, I shall limit my remarks to possibilities of participation.

We have anticipated the reaction of some hon. members who agree too easily with existing situations, and prefer to take refuge in the federal jurisdiction, in the field of employer-employee relations, and conclude that labour legislation respecting profit sharing is more a matter of provincial jurisdiction.

We are going to try to clearly define everyone's responsibilities in a matter of great interest to all Canadians. Even if the application of proposed measures were restricted to the industrial sector under federal jurisdiction, and though a good many workers are employed in various administrative services, we agree that the government should set the example by establishing, wherever possible, a plan of involvement of workers in the development and profit of business. There are so many ways and means to encourage participation.

Given the contradictions inherent in the present system, I recognize that it is not easy to propose solutions to the many problems of workers. If finance reflected the true image of reality, if a social organization automatically issued new credits to finance any new production, it would not be necessary to put an end to the primacy of capital because such evil would not exist.

Capital would spring up as efficient technicians and workers would undertake and follow up the development of the country's raw materials, and that capital would be available to those who thus create new wealth.

But even if a promoter starts out with his own capital or with capital from associates, even if at the outset he owns means of production, can the same thing be said of the development? Let us suppose an industrialist has the capital needed to establish a paper mill costing $1 million and that he is known as the owner of it. The concern flourishes, its products are good and sell well, the industrialist is making profits and considers expanding his firm because it has been successful. Why has it been successful? Is it only on account of the initial capital he has put in? Is it not also and chiefly because there is wood in the forest, there are workers to make paper out of wood and customers to buy the product? Should the development belong only to the industrialist? Why should it not belong also to those who contributed to his success?

The industrialist may say he paid a salary to his fellow workers and therefore he is even with them, free from any obligation. That is easy to say, but the salary was to provide workers with a living. The plant's prosperity gave them a living, that is true, but the industrialist also lived out of that. If that prosperity can also lead to development, should all those who contributed to that prosperity not get their share of that development?

The initial capital, that was the industrialist's business, but the development is not exclusively his.

We believe the development benefit not only the promoter but also the staff who work with him.

If another million is needed to expand the firm and the equipment, that money should be put in by both the employees and the promoter.

The new capital could be set up from 10,000 $100 shares which would be distributed among those who contributed to the establishment of the business.

We all readily recognize that any business that wants to remain solvent must see that its revenues so exceed its material, transportation and overhead expenses that it can pay, under the present system, its employees' wages as well as dividends or interests on shares.

• (1520)

The situation would be exactly the same under a plan of industrial copartnership. Instead of salaries, there would be advances on dividends. As with present weekly salaries which are paid out of the firm's income, the advances on dividends would also be paid weekly from this same income. And in as much as salaries are taken into account to determine the price of commodities, a minimum dividend corresponding to present salaries would, under an industrial copartnership plan, serve to determine the cost price.

When deliberative meetings are convened, every worker would have the opportunity of freely airing his views and the meeting's decision would be final. The workers as a whole choose their representatives to the shareholders' meeting. They also choose the delegates who will represent them within the board of directors. This kind of capital handling by workers is thus carried out through association or the acquisition of shares.

The workers are not unionized people claiming their rights anymore, but partners who express their opinions. Hence, work performance is significantly improved. Everyone will work better and more and no one would think of bringing down the plant. We could even honestly ask ourselves if present shareholders' profits would not increase in such a favourable work climate.

Initiative entrenches the work force into capital, provides them with additional income that reduces their dependence on salaries and produces capital for the people. Share income promotes interest for one's work and is commensurate with productivity. This interest for work increases the feeling of responsibility and creativity. When employees start to think and act as shareholders, they better understand their claims and their needs.

I think I have already mentioned in this House several factors which must be considered when establishing the working and living conditions of an employee. Consideration must be given to the fact that he is a human being, not a machine, that he wishes for security and stability, and usually wants the place where he works to be well organized and well managed. It is normal that he should be treated fairly. The worker also wants to be informed of the business situation of the company, and to be assured that he will receive a fair income—so many basic realities of human nature.

All available means must be used to create a stimulating atmosphere which preserves the good relationship needed between the workers and the managers of a company. It is in this spirit of agreement and mutual understanding that we proposed the motion which is now being debated.

We expect to see varied reactions to the profit-sharing concept. But in the face of numerous strikes in all areas, we felt that it was in order to try, in the light of facts, to give labour legislation a new thrust so as to lessen as much as possible the bad effects of numerous strikes, which are always harmful for workers and create a climate of defiance which disorganizes the economy.

It can hardly be denied that we often witness glaring contradictions in the field of labour-management relations, especially as concerns full hiring and automation.

In all developed or developing countries, great efforts are made to improve production techniques, to produce more faster, and to invent and operate machines which will produce better and faster than the men whose place they will take.

First it was mechanization, then motorization and we have now entered the automation era.

Progress usually reduces employment and our managers recommend integral hiring, which means striving to find work for the man whom progress has left idle. This is an unavoidable contradiction because our monetary system is not keeping pace. Another contradiction is that popular theory about higher salaries and fewer hours of work.

It is generally recognized that a salary is a reward for work done. If higher salaries are requested for less work, this is no longer seeking a reward for work that is accomplished, it is rather for money not connected with work. This is why the Créditistes are asking for "dividends".

A closer study of current labour legislation will show easily that it is very difficult to apply in several areas. Efforts are now being made to find a solution to technological changes in production methods.

The labour representatives would like to see the employers insure, through different compensatory ways, continued employment even though production methods are improved through mechanization. On the other hand, the employer is not always willing to pay salaries to those who have been replaced by machines. Made responsible for ensuring the workers an income, the government gets involved in more contradictions by imposing restrictions in the large amount of complicated legislation that we know of. This often contributes to having legal advisers interpreting the law and its regulations as they see fit. Therefore, contempt of court sentences are increasing, injunctions are considered detrimental and every kind of method is used as being appropriate for defending the rights of some people without taking into account the duties and rights of others.

This confusing situation which is so blatant in the methods used for solving labour problems leads us to conclude that we have too many novices who pretend to be knowledgeable. The results of their long years of theoretical studies of labour issues show that many of them are in need of retraining from scratch.

They fail to realize that science and industry are the cultural heritage of nations. Science, applied to agriculture, trade, industry and communications, has resulted in huge progress. During the last centuries, man has learned to modernize production through the use of machines which has resulted in solving production problems. Some of our alleged scholars have yet to understand that. One

should nevertheless recognize the existence of that heritage and the rights of the inheritors.

There is something disturbing in the Canadian Bill of Rights, the fact that the economic rights of Canadians are not mentioned anywhere. If an individual has the right to life, that individual must at the same time have the right to things necessary to life.

I thought it proper to point out various factors causing misunderstandings about the methods used up to now, which calls for a new pattern in labour legislation in order that workers and employers may be interested in an active co-operation in profit-sharing.

In a brief submitted in March 1970 to the standing committee on finance, trade and economic affairs, the profit-sharing institute claimed that profit-sharing had an important part to play in Canada's orderly development and economic growth. Here are some excerpts of this brief under the heading

"Challenge of the future"

Profit-sharing has characteristics which gives it advantages that other forms of remuneration do not hold to the same degree;

This is a very flexible system, for it allows employees to be financially rewarded in times of prosperity without hindering the employer in times of depression;

It pays employees on the basis of values which they contribute to create;

It is a form of co-operative return which rewards teamwork and favours industrial harmony;

The system provides for both savings and investment at the same time. It allows employees to share in the rights the ownership of the means of production of the community represents; this is one of the main characteristics of many of the larger profit-sharing systems whose members, in some cases, own up to 25 per cent of the outstanding shares. It increases the output of the enterprise, lowers the cost of production and gives an added advantage from the point of view of international competition.

Further on, one reads this:

There was a time when profit-sharing was considered by many as an incidental benefit or a paternalistic measure on the part of employers. But now, as it becomes more general and more complex, it brings the hope that closer co-operation between employees and employers will supplant obsolete antagonism and conflicts. It holds the promise of producing a new motivation in industry at a time when the computer has created confusion.

In the years to come, it could well be that profit-sharing could become a fundamental if not the main form of remuneration, meeting the social needs and economic objectives of our new society.

We are fortunate in being able to add that several industries, in France, the United States and elsewhere, have adopted sharing programs. Their terms and conditions may vary according to the industry, but it is important that legislation be passed to encourage sharing. That is the spirit in which we moved the motion now before the House.

• (1530)

[*English*]

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, at present less than 10 per cent of Canadians own stocks or shares. This is an unacceptable level of participation and therefore in a general way my colleagues will support the motion proposed by my hon. friend. We look to greater financial participation in Canadian industry and business by individual Canadians, and we hope to bring forward measures that achieve this. We think that this is a proper way to develop self-respect and individuality, which can only be achieved when more Canadians, who are presently relying on wages, possess some independent income and therefore have more of a stake in their country. In a society that is increasingly dependent upon capital-intensive industry, the importance of capital ownership becomes more immediate. There is a blight in a society where the means of production are owned almost exclusively by the state or by a few individuals. We must develop adequate incentives and policies, and must implement those policies here, so as to achieve more participation by individual Canadians in capital ownership.

One way to promote Canadian ownership—I suggest this is one matter that should be considered by the committee considering the foreign takeover legislation—is to give more encouragement to Canadians who work to own part of the company by which they are employed. This is not a new concept but one that is promoted vigorously in other countries. For example, in France the state makes profit sharing compulsory for all companies employing more than 100 workers, and these earnings are not subject to personal income tax. There would obviously have to be ground rules for workers to purchase shares in such companies. The transactions would have to be at arm's length. There would have to be confidence between management and labour, something that perhaps does not exist in all companies in Canada today. However, I suggest profit sharing would be one way to bring this about.

In a study entitled "Does profit sharing pay?" by Bert L. Metzger and Jerome A. Colletti, a study conducted in the United States, the following recommendations are made for greater success in promoting profit sharing concepts. I will put them on the record because this particular issue of *Hansard* is apt to provoke some considerable interest in this subject. The following is the result of boiling down the views put forth by these two authors, and I am referring to chapter 7 of their study.

There should be mutual confidence and respect between management and employees. In a particular company where profit sharing takes place the workers should be paid competitive wages and fringe benefits. It should be recognized that profit sharing is not a substitute for a proper standard of living for the worker employed by that company. Neither is it a substitute for competent management or for sound personnel practices. That is to say, the employee-owner should be in no better position than any other employee; he must remember he is there to do a job. In addition, the company should employ top management staff. The coverage should be as broad as practicable. The plan should be sufficiently flexible that the profit sharing formula is not of the peanuts variety but is significant in itself. There should be appropriate profit sharing education, communication and participation, and there should be competent administration of profit sharing and productive investment of the funds.

How well does this concept work, Mr. Speaker? The authors have gone into this question and at page 7 they list a group of profit sharing companies. The companies referred to are actually department stores, and mighty big ones at that. We have Broadway-Hale Stores, Bullock's

Inc., Federated Department Stores, Gimbel Brothers, R. H. Macy and Co., Merchantile Stores, J. C. Penney Company and Sears, Roebuck. Also listed on the same page are some non-profit sharing companies, and these are Allied Stores Corporation, Associated Dry Goods, City Stores Company, Gimbel Brothers—this was in the years before Gimbel Brothers went the profit-sharing route—Marshall Field and May Department Stores. So you can see, Mr. Speaker, there are some giants on either side of this particular comparison.

The conclusion reached at the bottom of page 7 is that the profit-sharing group of companies turned in a much better record than the companies without profit sharing. Not only did the profit-sharing group improve its ratios; the profit sharers increased their return from 10.41 per cent in 1952 to 12.78 per cent in 1969, a gain of 22.8 per cent. During the same period the non-profit sharing firms improved their return only slightly, from 7.78 per cent in 1952 to 8 per cent in 1969, a gain of only 2.8 per cent. The report goes on to say:

> With respect to net income on net worth, the non-profit sharers for all practical purposes merely maintained their 1952-53 level of performance through all the years, except for a spurt in the 1964-1966 period. Since 1966, the non-profit sharers' ratios have declined from 10.34 per cent to 8.00 per cent.
>
> In 1952, the profit sharers' return on equity capital was 34 per cent higher than that of the non-profit sharers; in 1969, their return was 60 per cent higher.

Perhaps comparisons such as that do not prove the case, but I think they are significant as indicating there is some considerable merit in the concept of profit sharing and that it is something well worth our consideration.

I turn now to another side of the story and it relates to a matter that came before Parliament a few months ago. I refer to the income tax treatment we gave to deferred profit sharing. I note that in Canada companies that share their profits employ more than 100,000 persons. I refer to companies such as Dominion Foundries and Steel, Canada Packers, Simpsons, Simpsons-Sears, Shell Canada, Proctor and Gamble, Imperial Oil, Texaco, Gulf Oil, Warner Lambert and so on.

I had an exchange the other day in the finance committee regarding the treatment of profit sharing under the capital gains portion of the new Income Tax Act. I think it is relevant because it illustrates my point that we must offer greater incentives to Canadians to make them interested in the profit sharing plans of companies for which they work. I think it is appropriate that I put this exchange in *Hansard* since it will go forth to those Canadians who are interested in this concept of profit sharing. As reported at page 15 of volume 16 of the committee proceedings on May 30 last, I had this to say:

> The final point I would like to make is one that we never really did get into until it was passed in the House and then all sorts of people became concerned. I am referring to the deferred profit-sharing plan, what is the plan of Simpsons-Sears, Simpsons and a good number of other companies across Canada. Is there any immediate plan to bring about changes there.

I was referring to changes in the Income Tax Act. The Minister of Finance replied:

• (1540)

Perhaps the best thing to do, Mr. Chairman, is to repeat what I said in the budget speech, and for the convenience of Mr. McCleave and other honourable members of the Committee it can be found on page 17 of that speech.

I said:

> I am not persuaded at this time that a lump sum payment out of a deferred profit-sharing plan should enjoy any special treatment. It seems to me that payments out of such a plan should be treated in much the same manner as payments out of pension plans and registered retirement savings plans. All three of these types of plans have in common the deferral of income tax on the contributions to and the income of the plan. The government has previously indicated that it is conducting a general review of the taxation of retirement income plans. I have, therefore, concluded that this specific problem concerning the deferred profit-sharing plans should be considered as part of this general review.

MR. MCCLEAVE: This is the difficulty, Mr. Chairman, with the transition from one minister to another, because I think sometime in December, in the final moments of the debate on Bill C-259, I raised the question in a general way to Mr. Benson by asking whether they were going to be continuing to take a look at some of the sections of Bill C-259 and, in his reply, because he knew I was raising it on account of the interest in the deferred profit-sharing plan, he mentioned it specifically. So a good number of people did think that provision in Bill C-259 would eventually be altered. All I can say, in making a representation, is to suggest to the minister that he see the exchange between Mr. Benson and me on that particular day in December.

Then, the Assistant Deputy Minister, Tax Policy, made the following point, and this will conclude my remarks in that direction, Mr. Speaker:

> MR. COHEN: Mr. Chairman, if I may make a comment, I think the point to which Mr. McCleave is referring is not the treatment of lump sum payments but deals with another point, the application, so to speak, of the transitional rules to deferred profit-sharing plans. There were two specific concerns. One had to do with how much money standing to an employee's benefit on January 1, 1972 would be eligible for the old form of averaging. That point was dealt with in the budget measures and we have shifted the definition from the amounts vested in an employee at January 1, 1972 to the amounts credited, and I think that was the specific point of concern, and it was dealt with.
>
> The second point had to do with if in a particular year, an employee or an individual in receipt of certain special types of income, one of which was a payment out of the deferred profit-sharing plan, elected to take advantage of the old forms of averaging. Under Bill C-259, as it stood last December, he was precluded from taking advantage of some of the new forms of averaging. That point has also been dealt with in the budget measures and the individual is now entitled to take advantage of old forms of averaging for the old sum as well as new forms of averaging for any current contributions. So, I think those were the two points Mr. Benson was specifically referring to and you have met both of those problems.

That concludes my submission on that technical matter. I hate to go on at length about something like that, but it has never been presented adequately in any news report I have seen. We know now that at least 100,000 Canadians are very much concerned about the points I am making here this afternoon, and by getting them recorded in *Hansard* it will be possible to send copies of *Hansard* to those who make inquiries.

Finally, I should simply like to say that because the motion before us has as its major principle the idea of giving an opportunity to 90 per cent of Canadians to acquire some form of Canadian ownership, I think it is generally worthy of support and I intend to support it.

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, the motion put forward by the Social Credit party is certainly interesting and I congratulate them for attempting to put forward some solutions to some of the problems that face Canada in terms of industrial relations, one of which would be to give the workers a chance for a piece of the action and perhaps a chance to move in the direction of the people's capitalism. Like many beautiful ideals, the examples we have seen up to now tend to suffer in practice.

I can recall about 25 years ago being very impressed by an article in *Reader's Digest* outlining the experience of the Jack and Heinz Company in the United States. It was involved in the production of war materiel and had a profit-sharing plan. I was unable to locate the article, but if my memory serves me correctly, because of this profit-sharing a sweeper in the plant had an income one year of approximately $19,000. Perhaps Jack and Heinz was working on a cost plus basis.

The motion is particularly ambitious in that it seeks to involve workers in Canadian firms, enhance social stability and reinforce our country's economy. These seem to be laudable enough objectives, but I will attempt to show in the time I have at my disposal that profit sharing, at least as we know it now, is unrealistic, and has not really lived up to its claims.

For some time now many people including politicians, academics, bureaucrats, management and workers have been concerned with the attitude of workers to their work. Contrasting pictures have been painted about the dissimilar attitude of the British worker to that of his counterpart in Germany and Japan. Good Calvinistic doctrines such as incentives, diligence and loyalty have been cited as high ideals applied to those two countries because their success in the post-war industrial sector has been outstanding. Part of this has been due to the attitude of workers. There is no doubt about that. Probably the more important reason these two countries have leapt ahead as industrial nations since World War II has been that the governments of these two countries have been actively involved with industry in a priority planning process. I do not think this necessarily reflects just on the attitude workers have to their work. I do not deny that is important or that it is different from the North American or British concept.

The particular category into which this discussion falls is industrial democracy. When you are speaking of industrial democracy, I think what you are really referring to is shared decision making. In other words, if there is to be democracy in industry, since there is only so much power to go around, if the workers are going to have more, management will have less. I do not think that profit-sharing plans, as we know them, really anticipate this at all. If they did, I would be much more attracted by this motion.

I think we are going to see more industrial democracy. It is sort of a big thing for workers to have the opportunity of deciding their hours of work, rather than follow the clock as in Dickens' time, as well as safety factors involved in their work. We often see an involvement by workers in their security, after their working days are over, through their pension plans. We see unions bargaining for the power to have a say in respect of the kind of product a plant should produce and the kind of pollution control a plant should be establishing. While all of us are interested and certainly concerned about the worker's commitment and how this affects our society, I do not know that any group of workers has actively sought profit sharing. Profit sharing seems to be initiated by management. I do not pose as an expert in the field, and when I say I do not know that does not mean something does not exist. I do feel that, in the main, the profit sharing established by the firms cited by the hon. member for Halifax-East Hants (Mr. McCleave) was initiated by management rather than the workers. I do not think the motivation came from the workers.

• (1550)

Now, there is a problem of alienation among workers. Management answers motivation with a judicious mixture of the carrot and the whip. If you provide workers with enough motivation to produce, they say they will increase productivity. I do not know why it follows, but it seems to follow that you will reduce the number of strikes and labour disputes. God knows, we do not need any more. I am not suggesting we need more. The Minister of Labour (Mr. O'Connell) has enough on his plate already. I think it is often convenient for management to forget that motivation is much more than economics. It is a political relationship which has to do with the right of workers to make decisions in areas which affect them. It is much more than just a pay cheque relationship. I see the Minister of Regional Economic Expansion (Mr. Marchand) writing letters over there. He has a long history of being associated with the trade union movement. I am sure he would agree with me when I say that the determination of whether or not a worker is motivated is related to more than economics.

While I am talking about this matter of industrial disputes, I do not believe we can ignore the fact that in today's society with repetitive, dull, meaningless assembly line jobs often the only reassurance a worker has of his personal worth comes through his pay cheque. The only reason he has to believe he is a man and is getting ahead is if he gets ahead through having a fatter pay cheque. I think it is the means. It is not the pay cheque itself so much, although that is important enough. Rather it is the reassurance of a man's dignity. That, I think, lies behind a good deal of it. The commitment to profit sharing demands that the workers forget their interest in job safety and the satisfaction of a few more dollars. I think the move further enhances the attitude on the part of workers that they are a commodity. If they have this attitude, then there is fertile ground for breeding further dissatisfaction. They become a commodity and they race one another around the treadmill, often doing piecework.

I think the movers of the motion have forgotten that profit sharing tends to undermine rather than strengthen collective bargaining. If you are involved in profit sharing you are interested in maximizing profit and have to obey management. More profit sharing tends to increase the workers' dependence upon management rather than decrease it, therefore the power workers have to affect decisions about their jobs is reduced rather than increased. This, in the end, reduces the involvement of the workers. Profit sharing plans pit worker against worker.

The end result I believe is a rigid internal structure with increased conformity at the expense of a worker's dignity.

One further thing about increasing the worker's motivation is that most profit sharing plans tend to be "announced" by management. This I believe is an example of a paternalistic system. Some workers might take the opportunity, but in the end I believe this paternalism seduces further motivation among workers. Profit sharing in that area, therefore, tends to work against itself. My friends in the Social Credit party, like many other people, dream of social stability. If stability means sanctifying the status quo, with all its injustices, then I do not want any part of it because I do not think progress comes with stability. If I could be convinced that if one kept quiet and were a good boy, that is that the meek would inherit the earth, then I could believe their argument. However, at the moment I cannot.

What is the point in perpetuating the status quo, if that is what they mean. One does not have to be an expert to know there are profound inequities in our society, in the production and consumption of goods and services and in power. Read the book "Who Owns America" and you will find that a relatively few people, less than one per cent of Americans, really have all the power in that society, certainly the economic power. The situation is not very different in Canada. In Canada, 46 per cent of our corporations pay no income tax. In the United States the figure is 37 per cent. Social welfare is private enterprise. I think management often hopes to use profit sharing plans to undermine unions. This reduces the strength of the workers and the possibility of strikes. It is a funny thing that whenever labour loses its voice, for a while everything is quiet. But, because tensions and conflicts tend to build up there is eventually an explosion, whether or not you legislate unions out of existence. I think Australia is a prime example. Arbitration is compulsory there, and I believe the Minister of Labour will agree with me that there are far more industrial disputes and work stoppages in Australia than in Canada.

So, if you legislate people out of their right to strike, ultimately, in a free society—if you are talking about a fascist society that is something else—tensions build up, wildcat strikes become uncontrollable and you will probably cause more harm than good. I am sure members of the Social Credit party do not want that. I think the obvious ploy is to pre-empt unions from being organized. Even sadder, many people believe in this. Many people do not like it, and there are good reasons for that. There are good reasons for people to like unions also. People forget that with the rise to a decent income, through unions mainly, we have created in Canada for our people a vast internal market which we never had in the 1930's. Often people say that they do not need to organize in their company because their company pays union wages. I recall when I was a teacher being very grateful to the fireman because I received a raise as a result of their efforts. They were very helpful. They had a union and we had a federation.

An hon. Member: You did not get the hose!

Mr. Rose: No. People who are organized in this society are getting the hose, including people who have rejected a union and have been bought off by profit sharing. We know the people who have been able to organize. Let us mention a few of them. There are the trade unions, the doctors' union, the lawyers' union, and the teacher's union. These people have been able to reduce disparity in our society and have not been tied to the valleys of the economic ups and downs, the cycling. This is what the government found out—

The Acting Speaker (Mr. Laniel): Order, please. I regret having to interrupt the hon. member but the time allotted to him has expired.

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, I am very pleased that the Social Credit party, through the hon. member for Kamouraska (Mr. Dionne), has brought forward this question for debate today. I say that partly because all of us are seeking ways to improve industrial relations, to enhance industrial peace and to provide in some manner a sense of involvement in enterprise and indeed a commitment on the part of all parties to the undertaking, to the work or to the enterprise in which they are engaged. I was particularly struck with the point made by the hon. member for Kamouraska that science and industry are part of our cultural heritage. Indeed, they are. He, like all of us, is seeking ways of ensuring that the benefits of that heritage should be accessible to all. He raised the question in particular in terms of labour and management and of the people who are actually working in the economy from time to time. He suggested that profit sharing is one of the ways of ensuring that the benefits of that heritage are accessible to all and of ensuring participation in the over-all development of the country. He gave us a number of supporting arguments.

• (1600)

He also expressed the view, if I understood him correctly, that profit sharing may indeed be a unique means for the future of sharing in the benefits of this industrial age. He made some valuable suggestions, but the problem may not be with the concept of profit sharing but rather with the fact that workers in North America appear to be interested in many other ways of sharing in the development of the country than this particular technique. I would only mention in passing a few of those ways that are currently prominent in the bargaining process in the relations between the two parties. For example, the question of labour standards is one of those; so is the hours of work, the question of holidays, the question of separation arrangements, and the question of job security.

It is difficult to see how profit sharing will help resolve the concerns of working people over the security of employment. This is a prominent concern today, more prominent than ever because of the rate and extent of technological change. The impacts of technological change are another issue; so is the enrichment of jobs, the sense of participation in decisions, and the quality of the working environment. These are questions prominent in all labour and management relations today and, as I say, it is difficult to see how profit sharing will assist in approaching their resolution. None the less, they do not stand in the way of progress in the profit sharing field.

[*Translation*]

Mr. Speaker, the federal legislation on industrial relations promotes a plan under which workers are entitled to take part in the establishment of employment conditions through freely chosen negotiators. It provides a framework for relations between employer and employee, but it is not inherently aimed at determining the applicable conditions of employment. The industrial relations plan affords workers the opportunity of sharing the profits of the undertaking through higher wages and better social benefits. As for the remainder, it rests with the parties involved to decide if they will endorse or reject official profit sharing and share purchasing plans in accordance with the free enterprise system which the legislation protects and promotes. The parties can decide that to opt for profit sharing and share purchasing plans, but they are absolutely not compelled to do so.

There are profit sharing and share purchasing plans in operation in some Canadian firms, but they are the exception rather than the rule, apparently because they lack the support of the workers, or of management, or of both.

According to data obtained through Department of Labour surveys on salaries and working conditions in firms of a size sufficient for purposes of comparison, the percentage of workers involved in profit sharing plans has gone down slightly from 5 per cent in 1950 to 4 per cent in 1969. The 1969 Labour Department survey revealed that 8 per cent of all non-office workers in Canada are involved in profit sharing plans, but as no prior figures are available no comparison can be made. The restricted scope of the survey makes it inadvisable to draw too many conclusions from this trend, but it can nevertheless be noted that the percentage of workers involved in profit sharing plans is low.

In this connection, it is interesting to note the various points of view that prevail even within the labour movement. For instance, in a speech delivered before the special congress of the United Auto Workers on collective bargaining, before opening wage negotiations with General Motors in 1967, the late Walter Reuther said in support of profit-sharing plans: "The time has come for American industry workers to have their basic salary definitely fixed; then, they can fall in line near the oven with the shareholders and directors, and when the cake comes out, take their share as everyone else."

On the other hand, there are comments like those of Mr. John Eleen, Research Director of the Ontario Workers Federation. According to the *Monetary Times* of February 1970, Mr. Eleen is reported as saying: "We are expressly opposed to profit-sharing in the present socio-economic context."

If labour cannot agree on a single point of view on this subject, it is not surprising that management can do it even less.

The idea of allowing workers to share in the profits is not new. In fact, such programs have been more or less popular since the international congress on profit-sharing outlined in Paris in 1889 the basic rules for their establishment. No doubt that the income curve of businesses tends to conceal the appeal of profit-sharing plans.

Firms providing profit-sharing plans would want as their main objectives to instil into their employees the sense of sharing, to promote group initiative, to increase productivity and to ensure the workers' security. Differed profit-sharing plans would also enable us to fight inflation. Finally it is argued that such plans are used as shields against inflation.

In order to prevent hon. members from being swept away by their overwhelming enthusiasm for profit sharing, I think we must examine why such systems are not more common in Canada. Here are some of the shortcomings of such systems: Profit sharing affects the income level of the workers, thereby creating some uneasiness among the labour force. It is alleged that there must exist a close relationship in respect of time between the performance of worker and his remuneration. The differed profit sharing systems hold very little attraction, because a lot of time is necessary to realize them. Furthermore, the profits do not depend directly on performance in the case of a great many workers: actually, they are subject to the whim of the management and most employees have no control over them.

At the national level, profit-sharing systems can tie workers to particular companies. One must keep in mind that these systems can hinder manpower mobility, which we try to promote in Canada through the programs of the Department of Manpower and Immigration. Another important factor which hon. members should take into consideration is that these systems could not be applied to the public sector, which is non-profit. Would these systems then create inequalities in the salary structure of public servants as compared to that of workers in the private sector? If such were the case, it would be illogical to expect greater social stability.

I wonder also whether workers in the private sector who share profits also expect to share to the same extent the losses of the company. Profit-sharing systems have always been attractive in times of abundance and have always lost their appeal in periods of recession.

One could use the telling argument that the collective bargaining system to which the government committed itself is already a kind of profit-sharing system in that sense that workers are asking from time to time for an adjustment of the benefits they draw from their employers.

• (1610)

The words "appropriate measures" contained in the proposal might be given any interpretation but they apparently suggest that the system of freedom of choice, briefly described, should be modified so that the workers may participate in profit sharing and stock ownership programs. To this end, we should of necessity modify the principles of the industrial relation system and this would be probably unacceptable to the Canadian people.

Apart from the industrial relations aspect of the proposal it should be emphasized that workers, and in fact all Canadians, are given the opportunity to participate individually and collectively in industrial growth through saving and investment schemes including cooperatives and investment companies. In many cases, these plans enable people to invest small amounts periodically and to

increase their own capital invested in the company, while minimizing the risk by investing joint capital in various endeavours. Moreover, the government has taken steps aiming at giving Canadians more opportunities of participating in industrial growth with the help of the Canadian Development Corporation.

In concluding, Mr. Speaker, I should like to express my gratitude to the hon. member for Kamouraska (Mr. Dionne), for having given this House the opportunity of discussing the question of profit sharing in Canada. The concept of profit sharing must take into account so many factors such as the nature of the business, the importance of its operations, the willingness of both employees and employers—that I would find it difficult to impose it upon all Canadians through legislation. But through various tax and budgetary measures, the government is encouraging Canadians to become more and more the joint owners of their concerns and more and more "masters in their own house".

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, before making my remarks proper, I would like to say that profit sharing has shown to those who already used it that it has given very good results so far, particularly in the improvement of labour and management relationships.

It is noted that those who struggle with labour-management litigations are against profit sharing because with the latter the leeches of labour-management conflicts will loose their rationale. Those people who seek to exploit workers or management need bad labour-management relationships, in order to be able to exploit both, and therefore they want no part of profit sharing.

Mr. Speaker, I am pleased to second the motion moved by the hon. member for Kamouraska (Mr. Dionne), because it brings an answer to the requests of those people who, at the present time, have given up all hope of ever finding a remedy to economic problems and who are ready to follow some people who believe that the only viable solution will be found in Marxist socialism.

• (1620)

It is a fact that at the present time, a few labour leaders and a few workers' groups are markedly turning towards the marxist left wing.

However, Mr. Speaker, before analyzing these people's behaviours and deciding whether their attitudes are acceptable or not, one must have a look at the present economic and social situation and wonder whether our economic system does not also tend to discourage the workers and prompt them to consider other systems which, according to some people, cannot be worse than our present capitalist and corrupt system, which we call "economic liberalism". Here are the remarks of a businessman in this respect:

> Let us get rid of poverty in our towns and of the sort of social discrimination that it means, and we shall deprive at the same time agitators of their motives for action. The present have-nots no longer accept to be deprived of the basic necessities. We should be quite naïve to believe that they are not aware of the situation and never think of riot.

These remarks, Mr. Speaker, were made by Mr. Alfred Rouleau, chairman of Desjardins Life Insurance and la Sauvegarde, while addressing the Board of Notaries at its convention held in Quebec on October 13, 1970.

The workers are discontented and dissatisfied; they are infuriated at a system that keeps them unemployed, that deprives them of their salaries through ever increasing taxes. They are fed up with a system that takes away from them half the salary increases they obtain on account of rising prices.

They are fed up with a system that orders them to refrain from asking for further salary increases but does nothing to prevent scandalous profit increases for some industries, particularly the banks, which we are alone in this House to denounce, while they make or break all the other industries in Canada.

The workers resent those who preach patience and submissiveness or lectures them free of charge while enjoying incomes exceeding $50,000 per annum, if not twice that amount.

Among others, Mr. Speaker, I want to mention Mr. Louis Rasminsky, who, in his Economic Review at the time he submitted the Bank of Canada's Annual Report, practically castigated the workers as being mainly responsible for increased prices. Quite candidly he said:

> One way or the other, salaries and prices must be so directed as to bring increases in actual gains more in line with productivity.

Mr. Rasminsky is in a very bad position to speak about productivity as if there is a totally unproductive institution in Canada, it is the Bank of Canada.

On the other hand, data published by Statistics Canada on May 27, 1971 as the result of an analysis of weekly salaries paid in the Canadian industry and of price trends show for the information of workers in the manufacturing industry, that inflation has absorbed 60 per cent of the value of salary increases over the past ten years.

Some ten years ago, the workers in Canadian plants earned an average of $75 per week. That average increased to $125 in 1971, but an amount of over $30 out of the $50 increase has been swallowed up by inflation. In 1961, the dollar value in relation to food, clothing or housing prices, etc, was such that the average weekly salary of $75 at the time was only worth $95 in 1971. In other words, the plant worker only earns per week $20 more than ten years ago, which means an increase of $2 for each year after 1961. Our suggestion, Mr. Speaker, is rather unusual. It is therefore not surprising that the president of the Quebec Federation of Labour has declared to Mr. Claude Piché of *Maclean* magazine, in the March 1972 issue: "The system must be brought down." And how does Mr. Louis Laberge intend to bring it down? After having constantly been an opponent of separatism, the last QFL convention rejected a resolution condemning separatism and then carried the following resolution:

> Resolved that the QFL state its support for a sovereign Quebec originating from labour and that the QFL take all necessary steps to carry out shortly . . . The process must be carried out in accordance with the needs and aspirations of the working people.

However, Mr. Laberge is not alone. What is more serious is that he has found some supporters among other labour leaders. The following was approved in the manifesto of the Quebec Teachers' Corporation:

The workers are identifying more and more clearly their common enemy: the capitalist system.

That is what our children will be thought tomorrow at school, that is what professors are presently teaching their pupils: Down with the capitalist system! Long live Marxist socialism! Power to the workers! Schools to teachers and pupils!

Mr. Speaker, should someone have any doubts as to the tendencies and development of the labour movement, they would need only to analyze the CNTU manifesto entitled: "Let us rely on our own means only" to be convinced. Everybody will realize that the present goal is the establishment of a socialist system, a sort of Cuban or Chilean democracy, as well as the suppression of classes of society, the seizure of profits, the nationalization of business undertakings and alleged power to the workers.

What is called the CNTU manifesto is above all a reaction against American imperialistic capitalism that controls almost all economic activity in Canada and in Quebec.

According to the manifesto, a capitalist seeks profit and since profit is the source of power, big capitalists are trying to eliminate small ones in order to concentrate power into their own hands, which leads to the creation of giant monopolies.

Such monopolies determine prices and the quantity of goods to be produced, which plants will produce or will close down and which people will work or will be unemployed. The economic power is in the hands of a few and acts upon and against the workers. Such is, Mr. Speaker, corrupted capitalism, the "economic liberalism" we live in and object to.

In its analysis of the present situation, the CNTU manifesto calls the quiet revolution a "flop", the regional planning schemes a "failure" and the laws that created the Economic Planning Board, the Regional Economic Councils and the Quebec Planning Bureau, "botched legislation". According to the manifesto, and I quote:

The government cannot plan an economy it does not own and no concerted action is possible between the workers and the bourgeoisie where workers do not control the means of production.

Thus, with the Société québécoise d'initiative pétrolière (SOQUIP), the Société québécoise d'exploration minière (SOQUEM), the Société d'exploitation et de récupération forestière (REXFOR), the state is dependent on foreign monopolies.

What does the CNTU manifesto suggest to change the current situation? Here it is:

Economic freedom should be sought elsewhere than in capitalism, (. . .) the only way for labour to neutralize the American giant lies in socialism. A labour-dominated economy can be nothing but socialist.

With socialism they mean, firstly, that society through the state owns the means of production (factories, land, raw materials); secondly, that the workers are participating directly and collectively in management and economic decisions; thirdly, that economic activities are planned directly by the state.

And the manifesto ends with this appeal to the CNTU rank and file:

• (1630)

The CNTU rank and file should commit themselves to devote their best efforts to inform the Quebec workers of their *hopeless* economic and social situation under the current system, to encourage them to consider jointly possible solutions under a *people's democracy* and finally to urge them to start concrete struggles whose ultimate objective is to replace the current bourgeoisie-dominated system by a *classless system*, namely a labour-controlled economy.

Part of this is true since most criticisms contained in the CNTU manifesto, for example, are acceptable. It is a fact that American capitalism dominates our economy and makes profits at Canadian workers' expenses, that unemployment and insecurity exist, and that the workers have to pay for the damages sustained by the economy.

It is a fact that workers do not fully reap the benefits of the economy as capitalists do. It is also a fact that they have almost no say in the conduct of economic affairs in which the only part they play is limited to working with their hands and paying taxes. This criticism is not new.

At this point of my comments, I would like to read into the record some of the criticisms made against corrupt capitalism by His Excellency Mgr. Desranleau, on the occasion of his inauguration as first archbishop of Sherbrooke, in 1951, when he addressed 22 archbishops and bishops, numerous prelates and some high-ranking officials. He had castigated the presently tainted capitalist regime by saying, and I quote: "The struggle against capitalism has begun. For more than 60 years now, the church has been denouncing that aspect of capitalism which is opposed to nature."

Here again is another excerpt from Mgr. Desranleau's speech as reported on page 34 of the publication *Exhortation*, and I quote:

We should stare capitalism right in the face and in the light of the teaching of sovereign pontiffs; it derives its name and origin not from capital, but from the worst excess that takes place within the economic and social order, that of "excessive concentration of private assets into the hands of a few powerful wealthy men", while hundreds of thousands of others are being deprived thereof and suffer in their body and soul. This clarification of both the idea and its formulation has been made recently by His Holiness Pope Pius XII.

This regime which is initially unnatural is maintained only by a series of excesses leading to "the rule of the economy by gigantic industries and the prevalence of an unrestrained thrust into politics", all without the slightest moral concern (Pius XII). Established by money magnates and protected by political influences, capitalism seeks by every possible means at its command, even under the mantle of civil law and without the slightest care neither about the plight of the people nor the death of the poor who lack food and clothing, to reduce production,—

This is what we experience every day in this House. I quote again:

—to reduce crops, to make money scarce, to destroy the most immediately vital commodities, and all this, for the sole purpose of causing prices to rise and of increasing profits. Let us only consider the present abuses of American and Canadian capitalism with regard to three commodities which people cannot do without: flour, which gives us bread, milk, which gives us butter, and potatoes, which are the bread and butter of the poor and the hungry. As long as we see, in North America, those three commodities being bought up, made scarce and destroyed by monopolies under the indifferent eyes of governments, we will have to admit that vitiated, corrupt and corrupting capitalism prevails in North America. And I am not even talking about housing, which is shockingly inadequate, neither about clothing, which has been

ferociously taken over by foreigners, nor about the exhaustive development of natural resources, as if it were necessary, in order to enrich a class of privileged people, to ruin this country's future and to deprive generations to come.

It is that capitalism—

The Acting Speaker (Mr. Laniel): Order, please. I really must remind the hon. member that the time allowed to him has expired, and as I understand the order made earlier, hon. members have agreed not to ask for an extension of time. I, therefore, have to stick to the rule.

[*English*]

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I rise to speak on this motion which reads:

That this House deplores the fact that the Government has not adopted the appropriate measures for involving workers in Canadian firms through profit-sharing and stock purchase programs as a means of promoting social stability, reinforcing our country's economy and ensuring greater co-operation between capital and labour.

I congratulate the Creditiste party for moving this motion. I think it is very worthwhile. I believe that the concern today of the average working man is, first, security of his job and, second, his take home pay. I say this for two reasons. First, as a man becomes older, often technology phases out his job or for some other reason he finds himself unemployed, and he experiences a lot more difficulty in finding employment. The fact that technology has created a large amount of unemployment goes without saying. Today, in Canada, we have well over 500,000 unemployed, regrettably many of them under 25.

I believe that the simplest explanation as to how labour has been replaced by machinery is the following one. I apply this to rural Canada. In 1900, one person produced enough food for himself and one other person. Today, one person in agriculture produces enough to feed 40 people in addition to himself. This has been accomplished through technological advances from horse-drawn power to motor power and from the reaper to the combine. No industry has so readily adapted itself to technological change as the agriculture industry. Today, Canada is one of the nations enjoying the cheapest food in the world on the basis of per capita dollars earned.

The same technological change has occurred in industry which was speeded up dramatically in the last world war. At that time Canada reached a stage in her development when this House argued whether or not tanks could be produced in Canada. This was very interesting. A Conservative member from Toronto, a doctor whom I know very well and respect and who founded the Wellesley hospital, argued that it could be done. He argued against one of the great men in this House, the late Hon. C. D. Howe. He was finally able to convince him and tanks were produced in Hamilton. As I said, it was a very honoured member of my profession, Dr. Herbert Bruce, who brought this about.

As a result of the tremendous technological changes which have been made, larger and larger industrial complexes have developed. In addition, increased participation by foreign owners brought in the skills to develop our industrial complexes. Since my original argument was that these tremendous changes in technology resulted in a lack of job security, which to many is more worrisome than their take-home pay, it seems increasingly more evident that this job security could be better stabilized and guaranteed by having the workman share in the profits of that industry. All we have to do is examine what is happening in the United States, where approximately 90 per cent of production results from capital invested in land, structures, machines and working capital, and 10 per cent from the input of labour. This estimate is based on a judgment as to what the relative value of capital and labour input would be if each were competitively evaluated through free market forces. Ownership of this capital is concentrated in approximately 5 per cent of American families. The shareholdings of most of the 30 million American stockholders are of negligible income significance.

Approximately 95 per cent of the people in the United States, those who have only their labour to offer,—I am citing the United States because their statistics are probably a little more sophisticated than ours—are perennially short of purchasing power. However, they need and want many things and services that industry could easily provide. The affluent capital-owning 5 per cent, on the other hand, cannot support mass production. Their factories habitually run at 80 per cent of capacity or less, even though a significant number of American families live in poverty or near poverty. Our economic thinking on these aspects has been a little bit fuzzy.

With regard to labour, ever since the Employment Act of 1946, government has been forced to adopt policies which distort the economic facts and redistribute purchasing power. We see examples of that in the welfare program and the make work programs which we have. It is not 90 per cent to capital and 10 per cent to labour, as their relative inputs would justify, according to the United States study to which I referred, but more like 22 per cent to capital and 78 per cent to labour through ever higher wages for fewer hours of work, and to the unemployed through make-work programs and welfare. This road has led to crisis measures. I do not believe the answer lies in redistributing our existing capital, and let no one think I am a socialist, from the 5 per cent to the 95 per cent as socialism does.

• (1640)

I believe there is a better alternative. It involves methods of financing future growth, a significant and progressively greater proportion of each year's new capital formation, so that the net increase will be bought and owned by new owners representing 95 per cent of our population who now own little or no income producing property. In time, the number of people who do not possess capital will be reduced from 95 per cent on a family basis to 70 per cent, 30 per cent and eventually to zero. As stockholders, all Americans would receive purchasing power from their capital holdings as well as from their labour. In ten years, perhaps $500 billion of newly formed capital would be owned in moderate-sized holdings by individuals and families who today own little or nothing and who have no hope of ever acquiring a piece of the action. Capital ownership to the employee by the employees of the American industry will increase the purchasing power of the employees and motivate them to greater productivity, thereby lowering costs. And this can be done without

touching the capital owned by the 5 per cent who today own 100 per cent of the action.

I believe this can equally be applied to Canada. Indeed, it could well be that shares in companies ought to be set aside for employees who could accumulate them over the years. The longer they stayed with a particular firm, the greater their stake in it would be and the greater their incentive to remain with that firm and share in its prosperity. The industry would be increasingly sure of loyal support from its work force. This could be brought about by the government making provision for tax advantages in connection with programs of profit-sharing and stock purchase. The possibility of requiring all companies, whether Canadian or subsidiaries of large foreign-held corporations, to make available a percentage of their shares each year to their Canadian workers, should be considered. These are steps which in my opinion would go a long way toward ensuring a satisfied labour force and avoiding so many strikes which are disastrous to everyone concerned, including people who are not directly involved in them. They would create a Canadian labour investment in the industrial complex of this country. In addition, of course, it would encourage a greater measure of investment by Canadians in their own nation.

There are other advantages. Possession of capital, possession of a share in industry, gives an individual a degree of independence and flexibility of choice which is not shared by those who are entirely dependent on wages, on welfare, or on the handout. For my part, I would welcome any move to provide such an opportunity to a young man starting out, so that he might become part of a thriving industrial complex rather than just a number. This is a goal of vital importance to all Canadians who believe, as we do, in the importance of the individual. I would go a little further by recommending some related steps toward this objective. For example, I believe we should remove the sales tax. Sales tax accounts for a considerable part of the price of a house and, over the years, the effect of provincial and federal sales taxes are multiplied many times. Furthermore, I would encourage individual home ownership and provide incentives designed to encourage this trend, for instance, by allowing purchasers of homes to deduct from income tax the interest payable on loans. Thus, I would encourage people to own their own homes, to become, in a fuller measure, part of our society not only in the industrial complex by owning shares but by virtue of direct property ownership. This, I believe, is the sense of the motion before us and by these means we could elevate our society to a level at which poverty would all but disappear.

[*Translation*]

Mr. Jack Cullen (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, allow me to congratulate the hon. member for Kamouraska (Mr. Dionne) on his motion. I must apologize to my colleagues of the Social Credit party for not being able to express all my ideas in French. I did take a course in French, and even went on a crash course in French in Saint-Jean, but although I have a lot of ideas to express, unfortunately my vocabulary is limited.

[*English*]

The motion put forward by the hon. member for Kamouraska (Mr. Dionne) is interesting, but I wonder how carefully he and his hon. friends have considered it. I say this because it carries certain implications with which I cannot agree. I was interested to hear the hon. member for Fraser Valley West (Mr. Rose) express some of these ideas this afternoon.

First of all, this idea of sharing in the ownership of a corporation is fine for an individual in his early twenties, say, who is reconciled to the idea of spending the rest of his life working for a particular company. But I am afraid if he locks himself into one situation to the point that he has a stake in the achievements of the company, he will not enjoy the mobility which I think every Canadian should be able to enjoy. I do not think Canadians should be locked into jobs. To my mind, one of the things that has made Canada such a fine country is the fact that individuals have been able to move from region to region and to take on various jobs. I am a strong believer in the idea that an individual should follow at least four careers in the course of a lifetime. If workers are locked into their employment, as suggested in this motion, I think the situation is to their detriment rather than to their benefit. Consider the situation as it is at the present time. If a worker feels he wishes to invest in the company for which he works, that option is surely open to him. It is open to him, if he wishes, to buy shares in any corporation, whether a Canadian corporation or one of the multinational corporations about which we have heard so much recently.

The motion speaks about ensuring greater co-operation between capital and labour. Well, if this could be brought about, I am sure everyone in Canada would say amen. In the relationship between capital and labour, there has to be a greater degree of sophistication than in the past. I recall attending several meetings with the former minister of labour; companies and labour unions set up consultation committees, committees which operate after collective agreements have been signed, so that labour and management can iron out difficulties and, in many cases, head off confrontations—in particular, strikes. In the absence of this degree of sophistication, industry often ends up in two camps, enemy camps almost, with labour on one side and management on the other.

• (1650)

I have seen factories in which they have one cafeteria for the management and another for the workers. It is unfortunate that these two groups do not eat in the same cafeteria so they have an opportunity to discuss affairs rather than leaning toward a separation of management and labour. If we continue to develop opposite camps, let us remember that both have something in common; both want the company to succeed. I should like to see the two groups work together, rather than working toward the same end but unhappily along different routes.

In Japan an individual who gets a job with a company locks himself into the company, in effect, and will do almost anything in order that the company succeeds. This is admirable, but it is not the way that Canadian workers think or the way they should be expected to think. I am a

strong believer in the collective bargaining process, and I think it can be enhanced with labour-management consultation committees. Wherever possible we must head off confrontation.

I think it is fair to say that one of the debates current in Canada today is whether strikes in the public service should be allowed. This government has decided that public servants should have the right to collective bargaining and the right to strike. Those opposed to that position are watching the situation carefully. They are watching negotiations with the railways, postal workers, air lines and civil servants to see how these unions handle the new responsibility given to them. Quite frankly, they are watching with a jaundiced eye in the hope that collective bargaining will fail. I should like to see it work, and I think that management, labour and the unions have an obligation to see that it does work. People working for the government or in essential services should have the right to use the ultimate weapon of the strike.

However, in my opinion, in management-labour confrontations today the strike has become, rather than the ultimate weapon, the inevitable weapon. It seems to me it is almost a ritual now when the contract comes up for renewal, negotiations for a new contract break down, a strike vote is called, and the union representative goes on the air and states that 98 per cent of his members have voted to strike. Once this juggernaut starts to move, it is difficult to stop it. All too often, when workers decide to strike they do so in the heat of battle, as it were, at a meeting in some arena or union hall. Those who want support for a strike get on the stage and tell the assembly they have to show management that they are united and stand together, that anyone who votes against a strike will be looked on with more than a jaundiced eye.

It seems to me that in the interests of the worker there should be some kind of cooling off period, and opportunity for the worker to go home and discuss whether or not he should strike. In this day of women's lib I think the housewife, the woman who stays at home and has to put up with a guy who is on strike for 24 hours a day, should be given an opportunity to vote on the issue. Certainly, she has much to say about what takes place over the three or four weeks that her husband is not working. Let the worker discuss the matter with his wife and family and try to come to an intelligent decision, such as that perhaps they should do more bargaining before striking. Perhaps if the wives had an opportunity to vote, the workers would have second thoughts and try to find some other route before resorting to the ultimate weapon that hurts everyone. This is not meant to weaken the position of the union but to strengthen the position of the worker. Then, if he did go on strike, he would be bargaining from a position of strength.

Another sad feature of the strike is the confrontation that takes place at the factory gate or fence. I think both sides are at fault here. Both sides have their angers and their frustrations, and unhappily both have their vicious participants. There are those who drive into a picket line, not necessarily trying to knock people down, but failing to recognize that those who are picketing are human beings who are trying to make a case. Actions of this sort fuel the angers and frustrations already felt by strikers. Then we have the kind of striker who reacts by smashing and damaging factory property and machines. There is no question that this is to the detriment of the public image of the union involved.

Another matter that bothers me is this. The CLC is supposed to look after the interests of the working man, yet it sees fit to support, at least on the surface, only one political party. I think this, too, is to the detriment of the working man. A Liberal candidate in an election—or a Conservative candidate for that matter—may be the obvious choice to represent the interests of the working men of the area, but because he is not an NDP member propaganda is disseminated to the effect that only the New Democratic Party is interested in the working man. This propaganda ignores all of the good legislation that is brought down, not only by Liberals but Conservatives, both provincially and federally.

I am not saying that unions should not participate in politics because that is one way of getting their message across. But I am suspicious that they reflect the policies of the NDP when they make representations to government, that they will knock anything that the government does and forget to give their support to the good measures the government introduces. The CLC weakens the position of the working man when it climbs on one political party's bandwagon. You cannot pigeonhole the workers of Canada. Some are prepared to go on strike and fight in that way. Others feel that some sort of arbitration should be followed to settle a dispute. Since others feel they should join an organization, not necessarily a union, but an employees association. They feel they can make their case best in this way as they are going through the collective bargaining process. The workers should have a choice in this regard.

I disagree with the hon. member for Fraser Valley West (Mr. Rose) who describes these people as parasites. He said that because the firemen got a raise, other people who did not belong to their group were parasites because they got the same raise. There is much to be said for employees associations, which can put money aside to be used for better things than strike funds which often are soon dissipated.

Once again I congratulate the hon. member for Kamouraska for introducing this motion because it gives those of us who feel for the working man, and want to see his rights protected, the opportunity of expressing our views.

[Translation]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Honey): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Parkdale (Mr. Haidasz)—Immigration—Suicide of Alicia Wiercioch—Request for investigation; The hon. member for Lisgar (Mr. Murta)—Post Office—Request for action to improve service in

rural Manitoba; The hon. member for Regina East (Mr. Burton)—Regional Economic Expansion—Grant offered to Maniwaki Forest Products—New jobs to be created.

• (1700)

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED FAILURE OF GOVERNMENT TO ESTABLISH PROFIT-SHARING AND STOCK PURCHASE PROGRAMS

Mr. Roland Godin (Portneuf): Mr. Speaker, I am happy to commend the hon. member for Kamouraska (Mr. Dionne) who has proposed this motion concerning the sharing of profits between corporations and workers.

In view of the many criticisms by labour of the present capitalist system, this motion in my opinion is most timely and I hope that most hon. members will support it.

One must know and understand what the workers really want, not only in Canada, but throughout the world.

In this connection, I should like to quote a page of the findings of a study published in the *Action Nationale* of February 1972, under the signature of Rev. Father Jean Genest. He says:

Did you know that through a series of ever more comprehensive laws, from 1951 to 1956, Western Germany has renovated the internal organization of entreprises by initiating co-management which, far from being a failure, "equal co-management" such as it has existed for more than 15 years in the mining and steel industry, has proved itself.

Did you know that order No. 67-693 of August 17, 1967, in France, has laid the foundations and conditions of participation by wage-earners to the benefits of the economic expansion and has made its application compulsory in all businesses employing 100 or more employees, effective January 1, 1968?

Did you know that in the United States, more than 100,000 firms have initiated a profit-sharing program for all their employees, either in the form of a cash payment, shareholding or a saving plan? The most famous among these firms are Procter and Gamble, Eastman Kodak, Sears and Roebuck, Johnson and Son, Sanborn Co, etc.

The point is therefore, in the western world, to make every effort in order to overcome conflicts between capital and labour, between management and unions, and between social and economic aspects of a business, to achieve through industrial democracy, an involvement of all members in a corporation's success, either on an economic or a human point of view. "The key word is involvement".

Mr. Speaker, workers also call for this right to participation. In an article published in the February 1972 edition of the review entitled *The Canadian Worker*, the official medium of the Canadian Labour Congress, a union leader who cannot be said to be an anarchist, namely Mr. Donald MacDonald, chairman of the CLC, deals with the right of workers to be involved in corporate management. In an article entitled "Industrial democracy in the 70's", Mr. MacDonald, who was speaking during a conference on industrial democracy which was held in Ottawa in last January, stated, and I quote:

There seems to be general agreement with the principle put forward in the resolution passed during the statutory meeting of the CLC held in Edmonton in 1970.

This resolution read as follows:

"*Whereas* it is not proper in a free society for workers to be subjected, on the premises of their jobs, to an excessive supervision that would not be tolerated in the community as a whole;

Whereas historically the main forces which have fought for freedom are those of the union movement;

It is resolved that the Canada Labour Congress insists that the principles of freedom be also respected on work sites by fighting for the extension of collective bargaining in order to abolish management's unconditional right to keep the labour force unjustly in stride;

It is further resolved that the Canada Labour Congress, although acknowledging that the role of workers and management does not coincide, supports the extension of collective bargaining to include all questions concerning the industrial life of workers, including the results of technological changes and otherwise for workers, by insisting particularly on the implementation of the recommendations of the Freedman report, production programs, future industrial expansion policies, restraint of operations, methods and processes of operation and pollution control."

Mr. Speaker, the vice-president of the Canadian Labour Congress, Mr. Joe Morris, spoke of the experience in the field of participation and joint decision by union leaders in Germany. Here is what he said:

The position of German unions stems from their belief that the economy is not an exclusive monopoly of capitalists or of economic decision-makers, without consideration for the effects or the consequences such decisions may have on employees individually or collectively, or on the community. In their view, industrial ventures are no longer private institutions: they are part of the social structure of the country and should therefore be responsive to the needs of the community. They claim that factories and firms can no longer be viewed as mere agglomerations of physical goods. An industrial enterprise is unthinkable without its workers, its relationships with the world in which it exists, its place within the national economy. Therefore, if its existence affects groups other than its share-holders, these other groups should have the opportunity to influence its policies and its operations. This is the kind of reasoning guiding German unions in their position on co-determination.

As for Mr. George Home, director of the Political Education Service of the Canadian Labour Congress, he talked about the Danish workers' fund contributed to by all employers, including the government, in order to provide workers with dividends. Here is Mr. Home's thesis:

The Danish Workers Federation . . . has passed during its convention of May, 1971, specific proposals for the establishment of a "workers' returns and investments fund".

In fact, Mr. Speaker, this is basically a formula under which all employers, including the government, would pay a contribution to their investment fund at the rate of 1 per cent of the wages in the first year and 0.5 per cent more for each subsequent year, up to 5 per cent after 8 years.

Such payments would be added to the usual pay.

This plan also provides that the contribution paid on his behalf will become the worker's personal property through shares.

The worker will keep these vested rights even if he changes job or retires.

The shares from this fund are not negotiable, that is not on the stock market, but they can be redeemed after five years, at the time of retirement or in case of death or serious injuries.

The purposes of this fund are as follows: to insure to all wage earners, irrespective of their place of employment, a share in the capital growth of the firm and the revenue derived from this capital; to contribute to the democratization of the economy in insuring a greater degree of equality in the distribution of wealth and income; to contribute to the savings growth and, by the same token, to the increase in the money supply in the Danish industry and other important sectors of the economy.

In each company, the "wage earners' capital" supplied by the company will be invested in shares and at least one workers' representative will serve on the board of directors.

• (1710)

This representation will increase in line with the capital of the workers, and so will their influence at the general assembly where they will be represented by delegates directly nominated by all the employees.

The shares handed over to each worker in proportion to investment benefits are calculated not on the basis of his own company's dividends, but on that of the profits made on the capital as a whole.

Here at home, in Canada, even in Quebec, Mr. Speaker, the profit-sharing concept, the shareholder-worker concept is becoming more popular, even in the close family to the Quebec Prime Minister.

Here is a paragraph extracted from the newspaper *Le Soleil* of March 31 last and entitled: "Marine Industries employees could become shareholders". I quote:

Marine Industries Limited wants to remain a private concern, and the recent decision by the great majority of employees to become shareholders in the company is evidence of the confidence in which the people of the Sorel area have always held this industry which continues to bring wealth to the regional economy.

A recent survey indicated that 85 per cent of the 2,750 shipyard workers are interested in buying 500,000 shares at a cost of $5 each, and a formal offer to this effect has been made to the Société générale de financement. As it is well known, SGF some time ago asked for the nationalization of the corporation by the Quebec government.

The reaction was not long pending, since a number of Marine Industries trustees came up with this idea, which also meets with the consent of the Simard group which holds approximately 40 per cent of all shares.

Mr. Speaker, in the spring of 1971, the National Research Council published in its quarterly a most interesting article on the participation of workers in the life of the industry. It was signed by Mr. Leonard Hynes, chairman of the board of directors of Canadian Industries Limited, in Montreal. I quote:

Doubtless, work can be made interesting in various ways within one's own organization. Thus, we have constituted at Canadian Industries Limited what we have called a "participatory management". We do not claim that it is anything new except in the sense that we have adapted the concept to our own particular needs.

"Participatory management" as the expression indicates is an attempt to bring more democracy to the organization and, generally, to express the fact that we recognize a hierarchy of needs according to the concept of the American psychologist, Abraham Maslow. Those needs are as follows: the *physiological need* to survive above everything else; the *need for security* that grows after physiological needs are met; the *social needs* that appear when conditions in the environment are stable; the *egocentric needs* linked with esteem, a good reputation and the recognition of our competence and finally the *need for personal achievement*, the highest of all which reflects everyone's wish to achieve one's full potential. In North America, the first three requirements are usually met and the fourth also is to a large extent. There is now the matter of the fifth one which participatory management is attempting to accomplish and this is what led the CIL to launch itself into a program which is based on the first five key points.

[Mr. Godin.]

Mr. Speaker, it is obvious that these learned words, these well-wishing ideas and these declarations of pious intentions must be abandoned. Angry workers will not fall for propositions like that. Good intentions are however indicated. These statements indicate that various employers are aware of the problems. Like some labour unionists, they are still pursuing possible and better solutions, so that co-operation may exist between capital and labour and so that production, capital and labour may become true partners.

Mr. Speaker, now there remains to be seen which are the best formulas for arriving at the desired results. My colleague the hon. member for Bellechasse will be called upon to explain it later on, I hope.

[*English*]

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, first I should like to congratulate the hon. member for Kamouraska (Mr. Dionne) for introducing his worthwhile motion this afternoon. I have no hesitation in supporting the thrust of it. It gives members an opportunity to become involved in a little ideological exercise here this afternoon. As I read the motion, it seemed to me that its fundamental objective is an endeavour to restore initiative to the people of this country. I believe there is nothing more important to a person than having a personal stake in an enterprise. I spent much of my life engaged in personnel work among people involved in sales. I might mention a good old fashioned philosophy. If a salesman does not own a share in or believe in the product of a company, then he is no dashed good as a salesman. He cannot sell automobiles, he cannot sell insurance and he cannot sell anything else unless he is prepared to have some personal participation.

Having that view, I enjoy the opportunity to discuss the motion of the hon. member. There are, of course, in Canada many employee plans. A good example is the Bell Telephone Company whose employees over the years have had an opportunity to purchase stock in that corporation. Unfortunately, in many other industries where there are employee participation plans it is only the top executives who seem to be able to or seem to wish to participate. I wonder what the reason is. I have my own personal view on that. I believe it has been made evident this afternoon by some of the remarks made during the debate. I choose to call it a good old Canadian syndrome in which security, pensions, retirement plans and so on are much more important to the individual, or seemingly so, than any idea of participation, taking a chance and, as the Americans say, getting a piece of the action. We buy pensions out of our savings. We buy life insurance. We represent the largest group per capita of owners of life insurance of any nation in the world. As a nation, we are more tied to the idea of security than of taking a chance and trying to build this nation.

In order to change that syndrome, that conservative—and I use a small "c"—attitude in respect of investment,

we must have some leadership from different places to encourage personal initiatives. Our governments must provide a climate which encourages this. In France, tax emptions are used in respect of employee plans as a form of encouragement. The results there, however, have not been too good. Here, our industry has a rather paternalistic attitude. One often notices in the newspaper that Mr. Smith, employed for 40 years with a certain company, was granted a $250 honorarium because he submitted a good idea to the industry which perhaps resulted in a benefit to the industry of $100,000. This is the kind of paternalistic approach we have here. As a society we have failed to actively encourage increased participation by workers in the businesses which employ them.

I was rather surprised at the remarks of my good friend, the hon. member for Sarnia-Lambton (Mr. Cullen), who complained about the danger of employees being locked in by participating in an employee investment program. I submit he completely misses the point. If a man wants to move around, I submit he can move pretty dashed freely in this country if he should find a little box full of securities.

• (1720)

The opportunity currently presents itself to adopt measures which, in my opinion, will combine two objectives: first, an increase in the number of individuals who are active participants in the economic system and widespread ownership of the means of production; second, a reduction in the proportion of foreign ownership—this is very important—by an increase in ownership by Canadian workers. A society that is sincere in its desire to promote a truly participatory democracy and greater Canadian participation in the ownership of Canadian industry would surely welcome the opportunity that profit sharing and stock purchase programs could provide for the accomplishment of those goals. Not only would such programs promote greater Canadian ownership and participation in Canadian industry, I submit that this approach would also promote the self-respect of workers, the creation of a property-owning democracy, and a reduction in the intensity of industrial strife.

We could proceed by providing tax advantages for profit sharing and stock purchase programs. Another approach that should certainly be examined is that of requiring all companies or subsidiaries of large foreign-held corporations to make available a percentage of their shares each year to their Canadian workers with a view to establishing the long term possibility of returning the ownership of such companies to Canadians. The use of an imaginative and innovative program of encouraging worker participation in the ownership of Canadian enterprises could go a long way toward resolving many of the difficulties presently confronting the government. These approaches are not ones which may be expected to change the nature of our society overnight or immediately solve our problems. The effects of such programs are gradual and so will bring results in the long run rather than immediately. Gimmick solutions may attract the eye of some of us, but I prefer the results of patience and determination. No better time may be found to start this necessary program than now. My only regret is that so much time has already been lost.

I sincerely believe that the Canadian economic dream is, and always has been, the opportunity to get "a piece of the action". The earliest settlers realized this dream directly through the open frontier. The hope of acquiring their own land was what brought most of our forefathers to this country. This was accomplished by our original Dominion Land Act. It is interesting to note that in the United States Abraham Lincoln based his first campaign on the homestead proposal. The homestead bill itself was the first law he signed. The Dominion Land Act and the homestead laws in the United States were responsible for promoting in North America the philosophy of private property, free enterprise and capitalism. They stabilized our economy for over half a century. Today, when different "isms" mean redistribution from haves to the have-nots, it might be useful to remember the wholesome populism of the last century which gave us the economic foundation of the whole country. That populism was based on making haves out of have-nots without making have-nots out of haves.

When the frontier ran out, to a large extent the possibility of realizing our Canadian dream seemed to run out with it. The current crisis we are experiencing in so many areas of our economy should provide us now with the opportunity to renew our commitment to private property for every family and individual. I submit that it is time for an industrial homestead act, an act for the purpose of broadening capital ownership in the process of financing corporate growth, an act that will enable the man on the street to increase his purchasing power in a non-inflationary manner while simultaneously acquiring "a piece of the action" in the form of stock ownership of our major corporations. I repeat that this has to be a step by step long-term policy to be implemented by labour, business and government. An additional virtue of the plan would be to bring labour and business together in a creative way that would be good for both and good for the country.

The possession of capital gives individuals an independence and a flexibility of independent choice not permitted to those dependent on welfare or wages alone. The encouragement of the self-respect and opportunity provided by the widespread ownership of property must be a fundamental aim of our democracy. For example, in North America today 90 per cent of productive input comes from capital, 10 per cent from the input of labour, but 95 per cent of the North American population has only labour to offer and they are perennially short of purchasing power. What a shot in the arm it would be if we could change that percentage from 95 per cent to 90 per cent and even down to 75 per cent as stockholders purchasing power from their capital holdings would eventually be realized.

May I say with great respect that this afternoon the minister in his remarks, it seemed to me, missed the thrust of this motion. He referred to union agreements, etc. I submit that the ideal of individual motivation has escaped him. I suggest that benefits from this type of participation will be measured more in attitudes and in productivity. The minister said further that all employees would not want to participate. I say to you, so what is new? Not everybody wants to be a Liberal or a Communist or a Conservative. But this is the whole thrust of this motion. Let us create a climate where individualism can once

again thrive. We have gone too far down the slippery road already to grey anonymity.

Mr. David Weatherhead (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, first of all I should like to congratulate the hon. member for Kamouraska (Mr. Dionne) for bringing forward his motion today which allows us a chance to debate this very important subject. The hon. member for Kamouraska and I have sat on the Committee of Manpower, Labour and Immigration, in my case for the last four years and in his, I gather, for a number of years more. I found him to be a very congenial and interesting member of that committee.

During the nearly two years before last October when I was chairman of that standing committee, I greatly increased my knowledge of the significance of the Canada Department of Labour and its objectives in relation to industrial stability, the quality of life and economic health that we all desire in our Canadian society. The traditional role of this department, which has remained virtually unchanged since its inception, is to promote the improvement of industrial relations and working conditions. From this role has been derived such goals as strengthening the collective bargaining process, improving employment standards and safety levels, ensuring the provision of equal pay for equal work and achieving equality of opportunity in employment.

• (1730)

New legislation initiated by the department supports these principles. The former minister of labour, now Minister of Manpower and Immigration (Mr. Mackasey) brought forward in 1971 and obtained approval for an act to amend the Canada Labour (Standards) Code. These amendments were considered by the standing committee while I was the chairman, and the act and its related regulations have now been fully brought into force. A short time later a bill to amend the Canada Labour Code (Industrial Relations), well known as Bill C-253, was introduced. As hon. members are aware, a successor bill, Bill C-183, has also been introduced, has received second reading and is before the standing committee, receiving detailed clause by clause study. The volume of briefs and letters received and the number of delegations that came to Ottawa following the introduction of Bill C-253 could be used as a case study of participatory democracy. The response also illustrates the importance of the proposed legislation to the economic well-being of Canada.

The successor bill, Bill C-183, reiterates the government's commitment to the proposal that technological change and its impact on employees should be subject to collective bargaining. It will provide a framework for encouraging employers and unions to negotiate the adverse effects on employees. It is my view that this bill when enacted will contribute to industrial stability and peace.

Regulations as authorized under the provisions of the Canada Labour Code (Safety of Employees), have now been fully drawn up by the department. Of the more than 20 sets of regulations, 17 have been approved and promulgated. The remainder are expected to be brought into force in the near future. Among these are important regulations limiting hours of work in the motor transport industry and requiring periodic medical examinations of drivers. These have been fully developed and are now awaiting final approval. In addition, a comprehensive revision of the Coal Mine Safety Regulations (DEVCO) is also nearing completion. First reading has also been given to Bill C-206 respecting changes to the Canada Labour Code (Fair Employment Practices). Work is also advanced on changes to the Fair Wages and Hours of Labour Act.

In the areas of both legislative and non-legislative activities of the department, I understand it is the intention of the minister to strive for increased consultation in the coming year with the representatives of all those sectors integral to economic and social progress in Canada. Both labour and management, by their actions and public statements, have shown that they want to engage in dialogue with the government. Further, these groups and the general public as a whole expect the government to provide the leadership necessary to establish the ways and means for such dialogue.

I also understand that this subject will be pursued in various ways by the department and by the minister. He is personally looking forward to frank discussions in the coming months with the object of considering social and economic goals for the 1970s which can be mutually agreed upon and fully supported by all those groups which will be directly and indirectly affected. The department hopes that it can engage in more systematic consultation with labour and management to bring them into closer relationship with government and, indeed, with each other, looking at the longer term for industrial relations in Canada as the over-all economic and social environment changes. In this way perhaps we can hope to at least keep up with and anticipate changes that will come and not leave all of us locked into positions of controversy and conflict—to try to find where the public interest resides as well as the private interest engaged in this field. Non-legislative approaches are being increasingly used by the department to meet its objectives, particularly to reduce the causes of strikes, to reduce conflict situations in federal jurisdictions and to reduce the emphasis on the adversary approach.

The industry specialist program, designed to reduce conflict in union-management relations, is about to the strengthened so that early and sustained assistance can be given disputes, or potential disputes, where labour and management wish this kind of aid. The object of this service is to help parties move away from crisis bargaining. The value of the program is borne out by its success rate in achieving satisfactory results in 75 per cent of the cases in which it has been involved since its inception. Indeed, its record in resolving conflict has brought about an increase in demand for its services; hence the strengthening of the service that I have mentioned.

Labour and management are also soon to be offered an industrial relations advisory service which will be created by reorienting and expanding the work of the labour-management consultation branch. Its main task will be to produce procedures for joint discussion and negotiation of problems during the closed period of the contract, those problems that otherwise might be deferred and unnecessarily create heat and congestion at the bargaining table or, worse, blow up into wildcat strikes.

This advisory service will be concerned with the attitude of the parties toward one another and toward the concept of improved industrial relations. For this purpose the advisory service will seek to acquire stronger professional competence in communications and human relations. Where labour and management are prepared jointly to seek outside advice, the advisory service will be readily available to them; and where it does not itself possess special competence we proposed to draw on the expertise that may be available elsewhere in the Department of Labour or other agencies.

Mr. Speaker, I understand that the minister also wants to put in motion a strengthened and reoriented research effort concerning rates of pay, conditions of employment and other factors affecting the climate of industrial relations. To support the expanded non-legislative mission, the department will concentrate on five areas of research activity which I think are relevant to the improvement of the quality of employer-employee relations and the effectiveness of the bargaining system. The first is an industrial relations analysis program to monitor social and economic forces likely to affect collective bargaining in the future. The second activity is to provide better and more up to date factual information on wages, working conditions and provisions prevailing in collective agreements, all of which should be an aid to collective bargaining.

The third is research specifically aimed at supporting the industry specialists' program and the work of the advisory service, to which I have already referred. The fourth activity is support to industrial relations training programs. When reporting at the end of 1968, the Woods task force on labour relations claimed that a serious shortage of competent personnel existed in virtually every phase of industrial relations. We hope to look at the effectiveness of the various programs, particularly as they relate to mediators and arbitrators, as a prelude to continuing departmental support. The fifth activity relates to international programs. I believe that programs designed to improve industrial relations can be strengthened by information on activities in other countries, particularly in Europe, and by international exchange of experience.

Let me turn for a moment to another important activity in the department, that of the women's bureau. The bureau is expanding its work with regard to the special problems of working women, who make one-third of our total work force. Indeed, the bureau plays a full part in relation to the recommendations of the interdepartmental committee on the report of the Royal Commission on the Status of Women. In the past year the bureau has received encouraging support from many public and private organizations at the provincial, national and international levels. In particular, the communication media in Canada are generous in the time and space they allot the activities of the bureau.

The Canadian Department of Labour continues to participate actively in the work of the International Labour Organization which, as hon. members know, has been going through difficult times. The Canadian government has helped the organization deal with its financial crisis by paying our assessed contribution somewhat in advance of the due date. Moreover, our delegates to ILO meetings in Geneva—such as the one that I had the privilege of attending two years ago—have been working in close co-operation with the ILO and other delegations to strengthen the organization's program performance.

As ILO matters fall within both federal and provincial jurisdictions, the department has been making special efforts to involve provincial departments of labour as fully as possible in ILO activities. One result has been to gain agreement of the provinces that Canada should ratify a basic ILO Human Rights Convention, No. 87, dealing with freedom of association and the right to organize. This convention was recently ratified by Canada. In addition, the federal government hopes shortly to be in a position to ratify convention No. 100 concerning equal remuneration for men and women workers for work of equal value.

• (1740)

I see my time is coming to an end, Mr. Speaker. I conclude my remarks by saying that there is no doubt that collective bargaining does not work perfectly: it has its limitations and its weaknesses; it cannot be expected to solve all problems. But we all know—this is my conviction—that no better system has been devised for a free society; and we know, too, that society would not be free without it. Its successes and its benefits far outweigh the problems with which it struggles. Free collective bargaining is not only sound fundamentally; it is an essential element in a democratic society and in an economy such as ours. It was this conviction that lead the government to include in the revisions of the Canada Labour (Standards) Code now before Parliament a preamble supporting free collective bargaining. This preamble sets forth the purpose of the government, which is to support both labour and management in their efforts to develop good relations and constructive collective bargaining.

It is not good enough to ask labour or management alone to improve the system and to improve stability. The responsibility lies jointly with all three parties involved, labour, management and government, to work in co-operation and consultation with each other to achieve this end. The key to success and the only way to face this challenge is to increase the degree of co-operation between the three partners, employers, workers and government. Only in this way will we succeed in reducing conflicts to a minimum, in improving working conditions and, finally, in ensuring the survival of our system of free bargaining.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, may I call it six o'clock, since we are expecting a message from the Senate presently?

Mr. Speaker: I would rather suggest that the hon. member proceed with his speech, because there is no indication that the Gentleman Usher of the Black Rod will be here soon. There may be some delay and there is a possibility that we could waste 15 minutes of the time of the House.

The hon. member, anyway, may proceed with his speech. He may have a chance of delivering a good part of it before the Gentleman Usher of the Black Rod arrives.

Mr. Lambert (Bellechasse): Thank you, Mr. Speaker. I simply wanted to abide by the advice that was given to us. At any rate, I am willing to proceed with my comments on the important motion introduced by my hon. colleague from Kamouraska (Mr. Dionne).

I would like first of all to commend—even in his absence—the Minister of Labour (Mr. O'Connell) for having delivered a major part of his speech in French, which I deeply appreciate. For that matter, another government member did deliver the first part of his speech in French. It has surely been the intention thus to acknowledge the bilingual aspect of the House, and since the mover is French-speaking, a great spirit of co-operation has been displayed.

Mr. Speaker, the motion introduced by the member for Kamouraska is not aimed at making compulsory, through special legislation, the involvement of workers in the development and profit-sharing programs of Canadian firms, but rather at promoting a climate of co-operation through tax adjustments which would encourage that involvement.

Due to the short time allotted to me, I wish to limit my comments to a single aspect of the motion, namely the involvement of workers in profit-sharing programs of firms, without overlooking the fact that the workers must take part in the development of Canadian enterprise, and I insist on the word "development", not merely by investing their work capital which is, in my opinion, most important, but also, by investing cash capital, whenever their income will allow them to do so, or in any other way.

Mr. Speaker, the International Congress on profit-sharing held in France in 1889 did define profit-sharing as follows:

> An agreement freely entered into and providing that the employee will receive a prefixed part of the profit.

As for the Council of Profit Sharing Industries of Chicago, here is its definition:

> Any arrangement by which an employer pays or makes available to his regular employees, in addition to their usual wages, immediate or deferred amounts of money based on the company's profits.

Another authority defines this sharing as follows:

> Any arrangement for increasing the output and for reducing costs through human co-operation resulting from the employees sharing directly (in addition to their regular salaries) in the company's returns as measured profitwise.

According to historians, it is a Frenchman who holds the distinction of having initiated the first profit-sharing system. Edmé Jean LeClaire, a painting contractor living in the 19th century was once impressed by a remark made by a friend and business competitor, to the effect that the only way to suppress any antagonism between employers and employees was to make the latter share in the benifits of the firm. And, after thinking for a long time and having to face other difficulties with his employees, he told himself that the experience was worth a try.

On February 12, 1843, he called a meeting of his employees and advised them that he intended to share his profits with them. They were somewhat skeptical, whereas the Parisian gendarmes, who were told about the decision, undertook to pester Mr. LeClaire because he was using unfair competition practices. Hark! This man had the courage to stray from the old paths. This was something new!

On February 15, 1843, Mr. LeClaire held a meeting of his 43 eligible employees and surmounted their incredulity by a dramatic gesture: he emptied onto a table before them a bag containing 12,266 gold francs which he distributed among them in proportion to their annual earnings.

Their misgivings thus overcome, they returned to their paint-brushes with greater zeal, realizing that as their work improved the company would become more profitable, to their mutual advantage. This is quite logical.

The plan continued in operation and Mr. LeClaire expressed surprise at the results of his experience. His employees no longer worked as ordinary workers who operate like machines and drop their paint-brushes on the stroke of five. They all had become partners and self-employed.

Subsequently, Mr. LeClaire somewhat altered his system of yearly cash distributions, depositing part of the profits in a fund to cover occasional illness, retirement pensions and compensation for accidents.

In 1926, an American study brought out the fact that the LeClaire Company was operating under another name, but this new firm, Laurent, Fournier et Cie, had kept the profit-sharing plan after 84 years in operation. This company had then 1141 employees, and was still engaged in painting, redecorating, in Paris and other cities in France.

On July 19, 1963, The Profit Research Foundation learned through the French Embassy in Washington—

[*English*]

THE ROYAL ASSENT

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

> Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber.

• (1800)

And being returned:

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bill:

> An act to amend the Criminal Code and to make related amendments to the Criminal Code 1967 Amendment Act, the Criminal Records Act, the National Defence Act, the Parole Act and the Visiting Forces Act—Chapter No. 13.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED FAILURE OF GOVERNMENT TO ESTABLISH PROFIT SHARING AND STOCK PURCHASE PROGRAMS

The House resumed consideration of the motion of Mr. Dionne:

That this House deplores the fact that the government has not adopted the appropriate measures for involving workers in Canadian firms through profit-sharing and stock purchase programs as a means of promoting social stability, reinforcing our country's economy and ensuring greater co-operation between capital and labour.

• (2010)

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, when hon. members left to attend royal assent in the Senate Chamber, I was making the history of a well known French firm, Maison LeClaire, which operated for 121 consecutive years, and with much success, with its employees sharing its profits.

Today, such profits are being shared as follows: 6 per cent for the two owners; 44 per cent for a mutual aid fund; 50 per cent for the workers, over and above their salaries. That policy produced excellent results in France and could do the same in Canada.

Mr. Speaker, I should like to quote from a study which was prepared by an expert on the matter and the conclusions of which were published by l'*Action Nationale* in its February 1972 issue. That expert, Reverend Jean Genest, describes how ideas have evolved concerning profit-sharing by workers in Canadian businesses. Here is what he said:

To those thinkers co-management was a *duty* for management but, in 1970, Mr. Philippe de Woot turned it into a *right*: "Participation has become an individual's right. Each individual is co-author, co-responsible and co-beneficiary of common work. Subsequently, it is every individual's right and duty to participate in this work. Under this philosophy, the problem of participation should be considered in terms of the individual's right rather than in term of management's duty. Participation should go as far as transforming the firm's structure. This new structure should permit a dialogue. However, it should not go as far as sharing sovereignty". Whether such participation is a worker's right may lead to considerable discussions but it remains that the entrepreneurs in general followed their interest rather than their duty. Today any misunderstanding as to labour's way of thinking is no longer permitted. Their often systematic refusal of any participation in a certain management of the enterprise is the great reason urging labour and unions towards socialism and its extreme form, communism. Their unassumed immense and serious social responsibilities are paving the way for a decade of violence and restlessness. Something must be done.

The second element of social transformation is profit-sharing for workers. Profit-sharing is generally classified into three main categories: (1) A pure and simple cash payment as soon as profits are known, on the basis of a previously determined percentage; (2) a form of savings bond redeemed in case of illness, departure or retirement; (3) allocation of corporate shares, known as industrial co-partnership, whose merit is to make workers the legal owners of the corporation on the same footing as its shareholders.

These three types of profit-sharing plans have a very strong psychological and social effect primarily because of the interest which they arouse in the workers for their employer and the feeling of participation which creates solidarity among them. Of the three types of profit-sharing plans—bonus, savings plan and industrial co-partnership—the latter two have held our attention the most.

Mr. Speaker, there are other plans which enable workers to share in the profits, in the property and in the management of industries. Foremost among them is the plan put forward in the United States by Louis O. Kelso in various books he has published.

The Kelso plan amounts to the following: Recognizing that it is increasingly difficult for workers to use up their energies in salaried productivity since machines and automation have replaced them and acknowledging also the continued industrial concentration, Kelso's wish is that workmen should all become capitalists by obtaining the means of being shareholders in the industries which employ them and he makes the following suggestions:

1. Intensification of a program providing for a distribution of shares within the industry.

2. Amendment of tax legislation in respect of estates and gifts so as to encourage the formation of a larger number of rich people who are able to provide for their families and whose wealth can be passed on from one generation to the other.

3. While the transition towards capitalism is proceeding, to bring about the repeal of income tax on limited liability companies together with a tax reform on personal income in order to increase, fairly and equitably, the government's income from the members of the economic community.

4. Elimination of government measures which directly increase concentration of capital ownership.

5. Effective regularization of the economy by the government to ensure the maintenance of free and possible competition on all markets, except in the rare instances where monopoly has to be allowed for technical reasons.

6. Recognition by the government of its duty to ensure all members of the society a reasonable participation in the production of riches, so that they can all receive sufficient income to subsist.

All those are the things which everybody wants. Everybody wishes to have sufficient income to subsist. I continue with the quotation:

7. Enactment of legislation which would make it compulsory for limited companies which are already well established to distribute 100 per cent of their profits to their shareholders.

8. Development of a preferential investment system for all families who do not have enough capital to subsist, in order to encourage them to acquire capital, the income from which would be sufficient to ensure their subsistence.

As reported in the newspaper *La Presse* of September 28, 1970, a Quebec executive, the vice-president of Dupont (Canada) Limited, Mr. F. S. Capon, asked that the small wage-earner be given the means to invest in companies in order to himself become a capitalist. The article, entitled: "Why not investment on credit for the small wage-earner?" went as follows—I quote:

Mr. Capon suggests a solution. Each household should participate in active capitalism by investing in economic growth, and thus drawing benefits from such growth. To that effect, the speaker stated, why not have investment on credit?

Mr. Speaker, we are thus able to realize that many persons knowledgable in this field expressed very valuable views, and this is one of the reasons that has led the Social Credit Party to move a motion today, asking this House to carefully consider the possible development of a profit-sharing plan, in order to involve most workers in the development and management of our natural resources, as well as to increase their standards of living and to enable them to live with their own income, to alleviate unemployment and to encourage the next generation to carry on the work of involvement and of development of Canada, for the greatest benefit of the community.

Mr. Speaker, if we considered all the government investments that are made in the various departments, and if we managed to get the workers to benefit from all these investments, from all the benefits that are granted, I think that we might succeed in getting in our country a really interesting social atmosphere which might be beneficial to the whole society.

I could continue and say a lot more on this subject, but, to summarize, let us say that if we were to introduce such a policy, we should certainly take a step in the right direction, in order to eliminate the causes of labour-management disputes, that is between money-capital and labour-capital and ensure social peace, economic affluence for all of us in friendship and justice, which would make easier the very settlement of problems that may arise between the State and its employees by providing better guidance for discussion in the public sector.

• (2020)

[*English*]

Hon. J. A. MacLean (Malpeque): Mr. Speaker, the resolution we are considering in this debate reads as follows:

That this House deplores the fact that the government has not adopted the appropriate measures for involving workers in Canadian firms through profit sharing and stock purchase programs as a means of promoting social stability, reinforcing our country's economy and ensuring greater co-operation between capital and labour.

This is a very interesting and fundamental resolution and the mover deserves credit for bringing it to the attention of the House. I was interested in some of the speeches made, especially the speeches of the hon. member for Sarnia-Lambton (Mr. Cullen) and the hon. member for Scarborough West (Mr. Weatherhead), because they quickly diverted the attention of the House from the main subject to the consideration of labour relations problems with which our labour system is plagued. This could have been a clever ruse to distract us from the main theme. However, I do not believe it was. I think, rather, it stems from the almost universal attitude of governments, and of necessity in our situation, which are so busy looking at the trees that they do not have time to sit back and look at the forest as a whole. I do not say this in a critical way of individuals who support this government, or of members of the government; but I think the situation should be corrected.

I believe it is essential that somewhere as an emanation of Parliament—I believe it should be part of the government itself—there should be a small committee, preferably composed of senior cabinet ministers, whose duty it would be to oversee the general economy and thrust of government so that programs put forward by various departments would be coherent and would express the general aims and objectives of the country as a whole. Therefore, I think ministers without portfolio should not be junior ministers but a small group of three, four or five senior ministers who have had the responsibility of holding a portfolio; and in this important task they should not be weighted down, as ministers are, with detailed work. Most ministers have to sign documents of various kinds, by the hour, every day, until they have writer's cramp or neither the time nor the energy to give thought to these overriding considerations.

I have digressed, Mr. Speaker, and I do not intend to do so any longer. I wish now to return to the subject matter of the resolution before us. As time goes by in the rapidly increasing technology of production with which we are all acquainted, it becomes evident that less and less of the requirement for production consists of labour and more and more of it consists of capital. As an illustration of this, we might consider that when Canada set out on the great nation-building process and built the first continental railway, it involved the employment of thousands of men. Most of these men could be put to work with a capital expenditure equal to what would be required to buy a shovel, probably around $1.50.

In this modern age a contractor engaged in the earth-moving business probably has an investment of $100,000 in equipment such as an huge, earth-moving machine which involves the employment of only one man. I remember a few years ago when a runway at an airport in my riding was being built. I asked the contractor how much of the general cost involved labour. He figured out that less than 5 per cent of the cost was involved in labour and said, "Look at that machine which takes $25 an hour to operate." He also said that a man's wages were less than 10 per cent of the total cost, and that the machine represented more than 90 per cent of the total cost.

In the United States today, approximately 90 per cent of their productive input comes from capital—land, structures, machines and working capital—and 10 per cent comes from the input of labour. This estimate is based on a judgment concerning what the relative value of capital and labour input would be if each were competitively evaluated through free market forces. Ownership of this capital is concentrated in approximately 5 per cent of the American people. This means that approximately 95 per cent of the people of the United States, those who have only their labour to offer, are perennially short of purchasing power even though they need many services which industry could easily provide.

The affluent, capital-owning 5 per cent, on the other hand, cannot support mass production. Our factories habitually run at 80 per cent capacity or less, even though a significant percentage of families live in poverty or near poverty. What is the government's reply to this problem? Their reaction is that the rich must be soaked. This is not right. Therefore, there must be progressive taxation to funnel-off the accumulation of capital, not production in the form of investment capital but in transfer payments by government for many apparently worth-while causes. But the net effect in Canada is that there is a vacuum so

far as risk capital is concerned, with the result that much of the risk capital we require comes from outside our borders.

• (2030)

This system produces three undesirable effects: first, it concentrates wealth in the hands of a few; second, it provides a diminishing role for labour in the production of wealth and, third, it creates a heightening struggle by an expanding labour force to obtain an adequate means of livelihood from a diminishing role in production. Fourth, the few hands in which capital is concentrated tend to become more and more foreign and less and less Canadian.

I think our objective should be that more people should have a stake in our country, more people should own not only the labour but the capital content of production; more people should be able to earn part of their income from capital investment and only part of it from labour, as is the case in the agricultural industry. That is why I think many people stay in agriculture when from a purely economic point of view this field of endeavour is not competitive with other forms of activity. However, it is satisfying because the farmer is both a capitalist and a labourer; he has a twofold interest in production.

It is easy enough to perceive problems—but how does one solve them? Several suggestions have been made, some of them contained in the resolution. One is to profit-share with the employees of companies in the form of bonuses. In some cases this includes small, compulsory savings by employees. Second, we should introduce a tax system which would make profit-sharing attractive both to labour and to capital.

Third, I think a guaranteed insured loan system whereby individuals could borrow money for the express purpose of buying capital shares in Canadian operations should be considered. If this could be achieved, a number of beneficial effects would result. One would be that labour would have a stake in the profits of the companies for whom they work. This would reduce in many cases, as has proven in the United States, friction between labour and capital. In this way I think more people would get some of their income from capital, and this income would continue whether they were ill and unable to work, on vocation or beyond the working age, and it would be transmittable to their heirs.

Also—and this is very important—it would provide a source of investment capital from which Canadians could invest in their own country and thereby make us less dependent on foreign investment in this country. A very interesting article appeared in the *Globe and Mail* of November 11, 1971, regarding this matter. The author, Mr. Ronald Anderson, had this to say:

> The increasing scale and incident of social unrest that have figured so largely in news reports over the past decade indicate that a serious malfunction has developed in the working of the social and economic system.
>
> Reports of unruly demonstrations, violence, work stoppages and protest movements—not in some far off country but near at hand in stable, conservative Canada—have become daily fare for newspaper readers. Environmental pollution, unemployment, bitterly contested wage demands, rejection of authority, poverty in the midst of affluence, and the pressure of inflation on those who have few defences have become commonplace topics of conversation.
>
> What does all this mean? Why have the troubles erupted so suddenly and on so many fronts? Where is it leading?—
>
> One Canadian businessman who has given long and serious thought to the problem is Frank S. Capon, president of the Canadian Institute of Chartered Accountants. Mr. Capon at present is outlining his views in a series of speeches in the Atlantic provinces.
>
> Mr. Capon is disturbed over the trend of developments, which he sees as a grave threat to the free enterprise system of industrial organization—the system that, he believes, is best able to provide the innovation, productivity and technical progress needed to produce affluence for all humanity. At the same time, he is convinced that the opportunity is present, if the destructive potential can be contained, for a dramatic step forward to a very high and broadly distributed level of affluence for all Canadians over the next quarter of a century.

Mr. Speaker, my time has almost expired so I will not continue to quote. However, let me say that the crux of this matter is that this man believes, as do many others who have given the matter a great deal of thought, that it is essential that some of our investment capital as a means of production must be put into the hands of more and more people as labour becomes a factor of less importance in production and capital becomes more important. Profit sharing is not a new idea. There is an excellent round-up of the results of profit sharing by many United States companies in the September, 1969, issue of *Reader's Digest*. I have no time to refer to it further, but I commend it to hon. members who wish to learn the facts of profit sharing.

• (2040)

[*Translation*]

Mr. Gilles Marceau (Lapointe): Mr. Speaker, the days which are allotted to opposition parties do not always have the same interest because matters under discussion are often a repetition of questions which have been dealt with in the course of ordinary sittings.

But I must admit that today's subject matter is highly interesting and I would like to congratulate the mover of the motion for affording us the opportunity to participate in this debate and express ideas on a subject which is of present concern.

However, Mr. Speaker, I am surprised that this motion is being introduced by a right wing party which, in my opinion, is much more oriented towards government non-intervention. I wonder if, at some point, our Creditistes friends were not siding with the socialists. I may say that I like them much better when they are themselves, and I am sure that after that brief foray into an area which is not favourable to them they will come back to the fold.

Mr. Speaker, social peace, social stability, improvement of the economic climate and better relationship between management and labour are valid goals and in my opinion all hon. members are willing to try and achieve those goals in the best possible way, which is not easy. Sensible people—and I think that most hon. members are sensible people—who can place themselves above partisanship and discuss as objectively as possible, will admit that the government, without having solved all problems, without having fulfilled its aims completely, has nevertheless made valid efforts to try and improve that social climate

and establish better relationship between employees and employers.

To my mind, the government has really adopted a realistic attitude in order to create a stable economy in terms of social and economic needs and in order to satisfy the individual worker as much as possible. It has done so without contravening unduly the basic principles in existence in Canada, namely those of private or free enterprise.

The interest manifested by the government is reflected more particularly in the creation of the Canadian Development Corporation, in the recent incentives to industry contained in the May 8th budget as well as its policy on foreign takeovers and finally in the overall industrial strategy frequently mentioned by the Minister of Finance (Mr. Turner), the Minister of Industry, Trade and Commerce (Mr. Pepin) and the Minister of State for Science and Technology (Mr. Gillespie).

The following extracts are no doubt of great help to support the views I just expressed.

The Minister of National Defence (Mr. Benson), who was then minister of Finance, made the following statement on February 22, 1971, regarding the Canada Development Corporation and I quote:

> Mr. Speaker, the purposes of the CDC are essentially twofold; first, to help develop and maintain strong Canadian-controlled and Canadian-managed corporations in the private sector of the economy and, second, to give Canadians greater opportunities to invest and participate in the economic development of Canada.
>
> The corporation will be expected to work very closely with other members of the Canadian business and financial community. Ideally, many of its actions and investments will be in response to proposals made to it by others. It should concentrate the exercise of its own direct entrepreneurial functions in those areas of particular promise and interest to the Canadian economy where there is not otherwise likely to be a sufficient degree of Canadian participation.

Mr. Speaker, the Minister of Finance (Mr. Turner) stated among other things in connection with the budget brought down on May 8:

> Ours is essentially a free enterprise system, not one whose every movement is determined by the state. Certainly the federal government can—and will—play a central role in setting its course. But every day millions of Canadian consumers—workers, farmers, fishermen, businessmen, investors—make individual decisions in the market place which over time have a massive impact on the state of our whole economy.
>
> There are some basic things which I think we must take into account in evolving this new policy. I think most Canadians would regard it as fundamental that any new industrial policy maintain and, indeed, raise our standards of living,. Canadian standards are high in comparison with those in other countries. Most of us want to keep them that way. Secondly, we want the opportunity, as Canadians, to participate at all levels in the economic life of the country. We want to exercise our rightful role in shaping the country's economic future—on the production floor and in the executive suite. I have said before that the real priorities for the 70's are economic—the bread and butter issues. I believe we must improve the quality of life. But I believe, too, that includes providing everyone with the means to earn a decent living—and to me that requires good, productive jobs.

Bill C-201 has also been introduced. It provides for the setting up of a screening process under the responsibility of the Minister of Industry, Trade and Commerce to assess potential acquisitions of control and ensure that future takeovers are to be of a significant benefit to Canadians.

We have also proposed—with respect to the subject-matter of the motion now before us—some profit-sharing and stock purchase programs.

It seems that the important issue of profit-sharing and stock purchase programs falls under the jurisdiction of individual companies or employers.

• (2050)

It is hard to conceive that this government may or should influence the decisions of the management of these individual and private firms, through a legislation or otherwise, because we are supposed to live under a free enterprise system . . .

Mr. Rondeau: Wash your hands . . .

Mr. Marceau: Mr. Speaker, I shall remind my friend, the hon. member for Shefford, that I may have to wash my hands, but that he might have something else to wash, and there is no need for me to specify.

This government is in principle favourable to a direct participation of employees in Canadian firms.

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

Mr. Speaker: Order. The hon. member for Shefford rises on a question of privilege.

Mr. Rondeau: Mr. Speaker, I do not think that the Standing Orders allow my hon. friend to level such charges. If he spoke more often in this House, perhaps he would realize that this is contrary to the spirit of our rules. Therefore, Mr. Speaker, I beg you to ask the hon. member to withdraw his words which have doubtless gone beyond his thoughts.

Mr. Marceau: Mr. Speaker, I think that I merely answered my hon. friend's invitation who is free to interpret my words as he wishes. As far as I am concerned, it is not the number of speeches that counts, but what is said and my friend might be better off if he spoke less often and thought more about the things he says. That might be more profitable.

Mr. Rondeau: Mr. Speaker, I leave it to your parliamentary good sense to ask the hon. member for Lapointe to withdraw his words.

Mr. Speaker: The hon. member for Shefford suggests that the words spoken by the hon. member for Lapointe are not parliamentary. I do not think I can accept the interpretation of the rules suggested by the hon. member for Shefford. I listened to the hon. member for Lapointe, and I really do not believe the Chair should, if the hon. member does not pursue his allegations further, ask him to withdraw what he has just said. I am sure that, upon consideration, the hon. member will realize that it was rather a matter for debate and I am under the impression that the hon. member for Shefford is prepared to accept my interpretation of the Standing Order.

At any rate, if the hon. member for Lapointe were to express himself in a manner not in keeping with the Standing Order, I should unhesitatingly invite him to withdraw what he has said, but I do not consider there is occasion to do so now.

Mr. Rondeau: Thank you, Mr. Speaker. I have great respect for you, but less for the hon. member for Lapointe, whose contributions to the proceedings of the House are so infrequent that they are practically inexistent.

Mr. Speaker: Order!

Mr. Marceau: Mr. Speaker, I do not think I need answer. My hon. friend has revealed his character by the language he used in the presence of other hon. members of parliament. I need not add anything else.

The government as a matter of principle favours a direct participation of the employees of Canadian corporations in the sharing of profits and in the co-ownership of the company where they work. The government has demonstrated its interest particularly with positive action in the field of income tax.

Indeed there are in the new and thoroughly revised Income Tax Act special provisions that recognize and even promote participation and co-ownership.

Of course it must be noted that these special arrangements must not privilege unduly those who contribute to these plans at the expense of other workers and that there should be no tax abuses.

As far as stock-options or profit sharing are concerned, the existing act provides that if a corporation agrees to sell or issue parts of its share capital to its employees at a discount, the employee must include this profit in his income.

The former income tax act provided a special method of calculating income tax on profits. While this method has been retained, it was amended, and I think this was done for the benefit of workers.

Other provisions in the tax legislation encourage the workers to become co-owners of the business concern, either the one where they are employed or others.

I might mention the 3 per cent deduction up to a $150 maximum and also the $500 deduction per child over 14 up to a maximum of $2,000, for child care.

But, Mr. Speaker, as the time allowed to me is almost up, I should like to conclude my remarks with these comments which seems to me to be more to the point.

The government's legislation on labour relations favours the principle whereby employees have the right to take part in the establishment of working conditions through their freely-chosen bargaining agents.

The legislation provides for a structure and a setting which should favour employer-employee relations, but does not try in any way to—for indeed it cannot—impose the terms and conditions under which employers and employees should live, nor can it try to determine what form they should take.

The present system provides the employees with the opportunity to share in the profits of the firm through increased salaries and benefits. In addition to that, the parties are free to decide whether or not they want to negotiate formal agreements as to the sharing of profits or buying of shares.

Mr. Speaker: Order. I regret to have to interrupt the hon. member, but his time has expired.

• (2100)

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I am pleased to rise and congratulate my colleague, the hon. member for Kamouraska (Mr. Dionne) on the motion he introduced this afternoon, which reads as follows:

> That this House deplores the fact that the Government has not adopted the appropriate measures for involving workers in Canadian firms through profit-sharing and stock purchase programs as a means of promoting social stability, reinforcing our country's economy and ensuring greater co-operation between capital and labour.

My Creditiste colleagues, as well as many hon. members of other parties, have put forward arguments in favour of profit-sharing, co-management and co-ownership by workers through stock purchase programs.

Does this mean that these proposals are complete and offer a solution to the present economic problems? Does this mean that the Creditiste philosophy is now at a standstill? No, Mr. Speaker. The Social Credit party is beyond this kind of participation, this even more frightening kind of concentration of the whole economy in the hands of the present banking system.

For instance, if you analyze the whole Kelso program you find that the workers would obtain the money to buy corporate stock merely by borrowing this money from banks. The banks would be glad to oblige because those loans would be guaranteed by a State "super bank" or even by the country itself. They would have nothing to lose and everything to gain since they would control almost all the country's corporations by keeping as collateral the stock bought by the workers until they can get them back with interest.

Another mistake in the Kelso program is that it suggests that it would increase the purchasing power.

We know that increasing production does not increase the purchasing power for a given production period. Consequently, stockholding workers investing money borrowed from banks would not spend this money to buy production but rather to increase it by investing into their corporation. With this increased production the purchasing power would be increasingly inadequate to buy the goods produced.

On the other hand, let us suppose that 80 million Americans each get $4,000 from banks to buy corporate stock. This would mean that additional credits amounting to $320 billion would be suddenly injected into the American economy without price control. What a disaster if protective measures as proposed by the Social Credit party were not implemented in the form of compensated discount or by decreased production costs.

Every reform presently advocated either to fight unemployment or inflation, or to promote regional development, or to reform tax legislation or to enable the workers to share in the profit and in the decision-making process

of industry, in short, every reform advocated in various sectors will only be a stopgap of little effect if a rational monetary reform is not undertaken concurrently.

Everybody agrees that a monetary reform is needed, and among others Mr. Claude Lemelin who wrote in *Le Devoir* of May 10 last, the following and I quote:

How to avoid the recurrence of such crisis? By simply bringing about and as soon as possible a reform of the monetary system which was established a quarter of a century ago. The very minor role played by the United States in the settlement of the crisis where the dollar was yet the main currency affected, marks the end of the American monetary hegemony; it would be desirable for international monetary institutions to reflect this new reality. The terms of the Bretton Woods agreement regulating exchange rates and their fluctuations should also be made more flexible. This is what the International Monetary Fund, while the crisis abated for a year, should have started to do as early as last September when the General Assembly convened in Copenhagen. This is what the International Monetary Fund was adamant to do either through inertia or conservatism. This is why the Washington institution is now being shortcircuited by other monetary agencies.

I would like now to quote from *Fortune* magazine which is not a Creditiste publication. In its issue of December 1971, there is an article by a Lawrence A. Mayer entitled and I quote:

A world monetary reform: a system to be reviewed.

Speaking more specifically about special drawing rights, the writer replies to the following question:

How does the International Monetary Fund create special drawing rights?

Reply: By a stroke of the pen ... special drawing rights are entered in the books as in a bank booklet. But SDR are not money but they are used by central banks only, not by the public.

Question: How do central banks use them?

Answer: At present, for international payments between banks, but special drawing rights never leave the International Monetary Fund. The Fund only makes transfers from the account of one country to that of another country. There is, however, a great deal of discussion going on at present about expanding and changing the role of special drawing rights, which could, for instance, absorb the dollar surpluses which exist in certain countries, so that SDRs would practically replace the dollar as reserve currency.

The author then specifies that special drawing rights are not based on gold and cannot be converted into gold. Concerning gold, the following question is asked:

Question: Thus, gold will still remain the basis of the system?

Answer: Not necessarily. Theoretically, anything can be used—for instance, any other commodity or, as has been suggested by some economists, a group of commodities or a group of national currencies.

This takes us back to the proposals of the Social Credit Party according to which the present system leads to ruin, as consumers never have enough money to buy the production offered, and production never puts enough money in the hands of consumers to equal the sum of prices, considering that manufacturers have to make profits in order to invest in businesses.

But as the founder of the Social Credit Party explains, just because the profit system leads to unacceptable consequences is no valid reason for trying to abolish profits altogether. We must however seek a system which will allow for the entrepreneur or capitalist to be rewarded and which will at the same time ensure better distribution of the wealth produced.

Appearing before the MacMillan Commission in Great Britain, Mr. Douglas was saying about the effects of savings on the economy, and I quote:

The investment of funds saved means that the same amount of money is bound to reappear in a new price aggregate, so that whenever a given amount saved is re-invested, a new price aggrevate is created without a corresponding change in the purchasing power.

This is why we must find new methods of financing our business and production, because the means of financing which are presently recognized and generally accepted contribute to reduce the consumers' purchasing power and to increase their disatisfaction.

By the way, workers have come to think like members Créditistes in this respect.

In Volume 5 of the labour relations task force, prepared in 1968 Mr. Jack Chernick, from the University of New Brunswick, New Jersey, provides interesting explanations on the attitudes of labour as regards profit sharing.

First of all, about the point of view of the workers of the United States automobile industry, he said that they want the same principles applying to General Motors shareholders and officials to apply also to workers. The members of the executive of the company first of all pay themselves a basic salary and put aside the amounts to be distributed as dividends to shareholders. If profits exceed a certain yield, they receive, over and above their basic salary, a bonus proportional to the surplus profits. Sometimes, when business is really good, they will decide to distribute an extra dividend to shareholders. Consequently, the automobile workers have asked the following question:

Any reason why this calculation should not apply to employees as it does to shareholders and administrators of G.M.? Why should the workers not receive, over and above their basic earnings and other marginal benefits obtained at the bargaining table, part of such profits that their work allowed to be made?

Such questions are raised not only in the United States but in Canada. In *Le Travail*, which is the voice of the CNTU, one can read the following comments on the discussions held during the 1967 convention:

Everyone knows that an undertaking or an industry pays salaries to its employees and gives out dividends to its shareholders. But there is a third portion of the profits that goes neither to the first nor to the second group. That portion is simply reinvested in the company. That is what we call self-financing. The question is, should that third portion be the property of shareholders only? Should not the workers receive a part of it? That question, which is greatly discussed among non-communist French trade-unionists is most important because it opens the possibility of workers sharing in the company's decisions in the economic field.

So the Confederation of National Trade Unions wonders whether workers should not be entitled to a portion of the profits that are reinvested in undertakings. In other words, the CNTU wonders whether the enrichment of an undertaking, whether the undertaking that has become able to increase its production, to expand, to produce more, belongs only to the holders of the initial capital. The CNTU wonders whether employees are not entitled to a share of that enrichment of the undertaking. Social Credit

says: Yes, workers are entitled to share in the enrichment of the undertaking.

• (2110)

Mr. Marcel Lessard (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, in taking part in this debate, I should like to contribute the experience of a man who has spent 25 years of his life in the labour class, as a factory employee, who has been closely involved in several discussions, experiences and conflicts, but who still has known a good many satisfactions.

The hon. member for Kamouraska (Mr. Dionne), in his motion, is to some extent blaming this government for not having taken steps likely to have labour concerned with participation in business management.

I would like to recall, Mr. Speaker, a few experiences that I have lived in my community, a rather well-developped one—tied in with the aluminum industry—where, as many already know, pay-checks are quite fat and trade-unionism quite advanced. In recent years, the workers have tried various experiences aimed at achieving what the hon. member is wishing for and that is social peace and co-operation between capital and labour.

Mr. Speaker, I should like to say incidentally that such co-operation of capital and labour, more or less questioned here, does exist. It is too easily forgotten that there are over 6 million workers in Canada and that collective agreements are being signed every day, attracting no attention precisely because they are entered into amicably, as a result of properly planned and properly implemented co-operation between groups in several sectors.

To be sure, conflicts attract more attention than anything else. This is normal. People thus tend to think that everything is going badly, that management and labour no longer agree, and that chaos prevails.

Such disagreements, of course, do occur for some groups of workers. But I must say that co-operation between capital and labour does exist in most cases, which is fortunate. It would of course be desirable that there should be 100 percent co-operation, which I personally hope will come about. But things being what they are, and man being eternally dissatisfied with himself, it is not likely that a system can one day be devised in which everything would fall perfectly into its proper place. This indeed would be too good to be true, Mr. Speaker, so that we would have to assume that we are no longer among the living.

Do Canadian workers really want to take part in the operation, the administration and the ownership of business?

I should like to mention here a number of examples I have experienced personally. Some years ago, Alcan and Price Company Limited had set a program whereby employees could buy share in these companies at a very low price.

I have personally bought shares of these companies through salary deductions. This was a scheme the companies had conceived to give their employees the possibility of buying shares at a very reasonable price. Actually, we could avail ourselves of a reduction of 15 per cent.

What was happening, Mr. Speaker? It gives an idea of the disposition that can prevail amongst an unfortunately too high percentage of workers. Most of them refused to jump at the offer, even though it was most obvious that as soon as one bought the shares one made a 15 per cent profit. All that had to be done was to buy the shares, pay for them, and upon delivery run to the bank, or to any investment dealer and sell them at a 15 per cent profit. Three quarters of the workers refused to buy shares in spite of the incentive to encourage them to do so. Not only did they refuse to purchase them, but I saw some workers relinquishing their privilege to the very ones they were regularly criticizing, that is the rich man, the influencial man in the community, the lawyer, the doctor, in short, the well-to-do. The workers were handing the certificates over to these persons enabling them to acquire share of the Aluminium Company of Canada Limited, up to 10 per cent of their wages. The professionals in the community thus made considerable profits in a relatively short period of time.

As one can see, the workers are not necessarily willing to participate in the management and ownership of the business because they fear that by being a participant, they might loose some of their freedom, the freedom to criticize the firm. It is unfortunate, but only time will enable us to make improvements in this field.

Today the worker, at least in my social class, tends to enjoy life and the maximum confort he can immediately obtain. Very often workers do not think of saving some money for a later opportunity and that for various reasons, Mr. Speaker. First, there is inflation. Today, the worker who saves $1 deprives himself of the goods he could purchase with this $1, while in 5 years time inflation will have eroded the purchasing power of his dollar and perhaps he will only be able to purchase 75 per cent of the merchandise he could have procured originally.

This is why the worker whose income is limited does not deny himself anything today in order to save because he is afraid that this saving will turn out to be a bad investment. Of course, he could invest this money and get a return that would compensate him for the loss of purchasing power. But here again—and I repeat a suggestion I have already made—the only thing in my opinion which would encourage the worker to save would be for the government to set a tax free amount of up to $500 in earned interest and dividends.

This could mean a total saving of between $5,000 and $10,000 depending on the rate of dividend or interest paid by the company where his funds are invested. This would encourage Canadians to salt away at least $10,000 and I think that a Canadian who has saved and invested that much is a more responsible citizen who demands less from the government as he knows very well that it is he who will have to foot the bill if he demands more.

I have already made this suggestion and I would like very much to see it implemented.

Mr. Speaker, the Minister of Finance (Mr. Turner), obviously encourages workers to economize. Of course, when I receive dividends on shares of Canadian corporations, there is a 20 per cent tax reduction on such dividends. This is some incentive. It may not be enough, but should we go much further than this? This is a good question.

Have any serious proposals been made in order to ensure that workers have a greater share in the management and profits of businesses?

My colleague, the hon. member for Lapointe (Mr. Marceau) said earlier that, up to a point, workers share in the profits of companies. The company which makes profits is in a position to pay higher salaries and to offer better fringe benefits. Thus workers share in profits insofar as they negotiate contract settlements and get benefits when the company can afford for them.

Unfortunately, Mr. Speaker, this is not true of all companies, and I know of several which, because of their low profits, cannot pay the very high salaries which some others pay to their employees.

• (2120)

It was reported in one of today's newspapers that workers in the Seven Islands area are, on the average, the best paid in the country, and we are glad that this is so. But it does not necessarily mean that those people enjoy a higher standard of living, because you have to take into account the high cost of living at Seven Islands, where everything has to be brought in, where practically nothing is produced and where there are great distances to be covered.

Before concluding my remarks I would like to quote some examples which have been lived, some attempts which have been made.

The government is constantly asked to take action. The Quebec government did so a few years ago. It created the General Investment Corporation in order to allow Quebec to control its own economy, and to give the people a chance to participate to a greater extent in industry, by enabling workers to become owners of their industries. We know that after five, six or seven years, the General Investment Corporation has practically ended up as a failure.

Is this attributable to bad administration or to errors by those who headed this business? Possibly.

Is it also due to our lack of business experience or to the lack of industrial knowledge of a certain part of the Quebec population? This is also possible.

I think that the establishment and evolution of an industrial approach is something which takes many years to realize. We certainly will have to wait for several years to achieve this goal, as has been the case in other countries such as England, Germany, or even in Ontario where industry has been established for a longer period than in Quebec.

Lately, experiments have been carried out in the Saguenay region. I am referring for instance to the Couture concern, a casting and machine shop, whose workers decided to acquire the plant by setting up a kind of co-operative at a time when the management was in some trouble. The outfit seem to operate well for the time being, and I only hope that this experiment will be conclusive, that it will be pursued and prove successful, for I believe that it is a kind of experiment which must be tried.

In conclusion, I should like to mention that through its legislation, the government has allowed many such experiments to materialize. One has only to think about

[Mr. Lessard (Lac-Saint-Jean).]

the Department of Regional Economic Expansion headed by the hon. member for Langelier (Mr. Marchand), and which now provides incentives to small and average concerns, thus allowing many to start, many others to expand, either in Quebec, in the Maritimes or elsewhere in Canada.

These are concrete incentives which enable workers to start businesses, to own, and manage them, to work there and make profits.

I think that governments cannot solve all problems. A government is a group of men with all their good and bad points, without inborn knowledge, and who cannot run everything. I believe that it is from the people themselves that most solutions must come, and workers, in Quebec or elsewhere, can become the owners of an increasing number of firms as long as they are willing to practice self-discipline, save, invest and get assistance from the various levels of government.

If we are really to find again the social balance some claim we have lost—although I do not agree that the disorder, is as serious as some claim—I feel that the only way to do so is through fundamental participation to the creation of jobs, the setting up of enterprises. We will then have greater social participation and better distribution of the benefits that can be assured by the sound evolution of our economy.

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I think that we have held today one of the most interesting debates judging by the full significance of the speeches delivered on both sides of this House. I would say that most speakers have readily approved the motion put by the hon. member for Kamouraska (Mr. Dionne), except for a few doubts raised here and there by some members.

As I will probably be the last member to speak today I would like to make a review of those speeches.

The representative of the New Democratic Party has shown that he does not know much about the principle of workers holding shares in a business. He feels that the worker's only safeguard lies in the employer state or the master state. He does not realize that the worker is as intelligent as the industrialist or any politician or government official in a socialist or totalitarian government.

According to the spokesman for the New Democratic Party, the only solution would be a socialist government vested with full authority to control industry throughout the country.

Mr. Speaker, I do not believe Canadians are prepared to accept such a system in their country. Some government corporations, such as the Canadian National and many others which could be enumerated, come up, at the end of each fiscal year, with balance sheets showing deficits instead of profits.

Similar corporations, privately owned, such as the Canadian Pacific, for instance, involved in transport like the Canadian National, produce each year a balance sheet showing profits.

Many such examples could be given, demonstrating that share-holders and workers in private enterprise in Canada show much more initiative and have participated in the success of each business.

If instead of fighting so often in a void labour unions had fought with the goal of obtaining shares for labour in businesses, we should not now be facing the problem of inflation and most workers would be share-holders, instead of proletarians.

Mr. Speaker, the hon. Minister of Labour (Mr. O'Connell) is concerned about labour-management negotiations. Even if workers became share-holders, I am convinced that they would still need to group themselves in unions in order to be represented at negotiations, which would remain quite as necessary as they are now, but would be much more effective. Such bargaining would provide working standards and the employee would practically be his own employer since he would be sharing in profits, thus becoming much more interested in the undertaking where he works.

The minister is also wondering how it would be possible to establish standards for holidays, employment security and retirement pensions.

• (2130)

Mr. Speaker, I do not think there is much difference between the stock purchasing system and the existing system.

I believe the Minister of Labour (Mr. O'Connell) is much more aware of the labour problems than he let on this afternoon. The minister fears also for the public sector. He sees quite clearly that in the private enterprise, workers will get a better deal through higher wages and greater business returns. He sees that workers in the private sector will be receiving higher incomes than public servants. Therefore, the minister seems to fear that it will be difficult for the public service to find the needed staff to make up the establishment.

Mr. Speaker, should the worker stock purchasing program take hold, we would see less competition for public service jobs and political patronage would have much less grasp over these people. The governments will only have to adapt themselves to the private enterprise instead of, as is the case today, the private enterprise having to adapt to the public service.

The minister also fears for some firms that show an adverse balance and are facing bankruptcy. The fact that the worker will be able to share in the firm's profits, will be a profitable incentive, and even the firm will benefit from it.

I am thinking of some mining industries, and in particular the NORMETAL mine, where miners receive a salary on an hourly basis and, in addition, a bonus every two weeks for the work done, according to the production volume. So, if production has increased, the bonus is higher. Miners are thus encouraged to produce more, and if a miner lags behind, it is not the foreman or the boss who will warn him, but the other miners.

In my opinion, Mr. Speaker, under a system of stock purchase by workers, the problems of unprofitable businesses would be negligible.

Today, because of the pressure exerted by companies, the government grants many tax exemptions which benefit to shareholders. The workers have only a slightly better chance of getting a job and paying taxes to the government to compensate for losses incurred because of tax exemptions granted to these companies. Under a stock purchase program for workers, the latter would receive their share of the tax exemptions.

Moreover, the grants awarded by the Department of Regional Economic Expansion would also benefit the workers. Today, most undertakings depend on "social welfare" grants from the Department of Regional Economic Expansion. Still, who is benefiting? The undertakings! The worker gets nothing. All he can do is work in order to pay his taxes and replenish the consolidated revenue fund of Canada so that other grants may be awarded to corporations which will employ other workers.

In other words, this means that you work now and pay later.

Another interesting example is forest resources development. If workers participated in this system under a stock-purchase plan, lumbermen could buy free of sales taxes the tools that they need in their work such as chainsaws, steel-cap shoes, security hats, and what have you.

Today, whereas the contractor is entitled to tax exemptions, the worker must pay federal and provincial taxes on his tools.

Miners, for instance, could become important and valuable shareholders of their companies. Most of those who work for 15, 20 or 25 years in the same mine or for the same company lose their health in the process. And when they retire, they have practically no savings to speak of because they have had too much to pay in taxes. As a result, these workers are very often dependant on the public.

On the contrary, under a capital sharing system, retired miners would at least have shares to sell at a profit, and those moving into early retirement would have savings on which to live pending the receipt of their first Old Age Security Pension cheque.

Generally speaking, people say that capital is some sort of accumulated work. However, since no one can do everything, some people work while others accumulate. The Social Credit Party wants all workers to become capitalists so that they may own something.

It is with this in mind that the hon. member for Kamouraska introduced this motion we have before us today, and we urge the government and the House to examine it carefully.

Mr. Romuald Rodrigue (Beauce): Mr. Speaker, I wish to sincerely congratulate the hon. member for Kamouraska (Mr. Dionne) for the motion which he introduced and which reads as follows:

> That this House deplores the fact that the Government has not adopted the appropriate measures for involving workers in Canadian firms through profit-sharing and stock purchase programs as a means of promoting social stability, reinforcing our country's economy and ensuring greater co-operation between capital and labour.

A quick look at statistics, Mr. Speaker, would show that the business concerns in which profit sharing and co-management prevail are few and far between. Even if the results obtained to this day are not very conclusive, I think that we should encourage both management and

labour to work toward the establishment of profit sharing and co-management programs.

I think that it would be appropriate to make a thorough study of this formula and to make every effort to find mechanisms which would make it of simple and easy application as well as interesting for both parties.

The Canadian government has never, paid much attention or given much importance to profit sharing plans. As we all know, the Department of Labour, when making its yearly investigations on the working conditions prevailing throughout the country, has at one time gathered and published some information on profit sharing plans, but it has given up this practice since 1954.

• (2140)

For his part, the Minister of Finance has not encouraged enough this form of participation, judging by the new Income Tax Act.

In the present Income Tax Act passed last December, Division D dealing with deferred and other special income arrangements is not very helpful to the members of these sharing plans, except for that subsection 5 of section 144 allows an employer to deduct from his income the amounts paid to a trustee. On the other hand, the capital gains of such a trustee and the amounts received by the beneficiaries from the trustee, if they derive from capital gains from the said trustee, are taxable. Moreover, the amounts that a worker withdraws under a supplementary unemployment benefit plan, are regarded as income and are therefore taxable, according to subsection 3 of section 145 of the Income Tax Act.

Pension funds to which employers contribute part of their profits are also a form of profit sharing known as deferred profit sharing.

The present legislation does not do much to promote such a policy, particularly when profit sharing plans are set up in favour of workers who are also shareholders. The tax reform has squeezed those profit sharing plans. It is known that most businesses which set up such plans are mainly family businesses and that often members of the same family sit on board of directors of the company.

In his analysis of the white paper on taxation which was published under the title "The Benson Iceberg", Mr. I. H. Asper specifies that the Department of National Revenue, more than a year before the tabling of the white paper, had refused to accept the registration of those pension schemes designed for the benefit of employees who are also shareholders in the business.

As a consequence, these business are denied the tax rebates granted to businesses having pension funds. Would the same rules apply in the case of profit sharing by all the employees? This is an interesting question to which the minister should give an answer. Otherwise, it should be said that the government policy is to treat profit sharing plans unfairly.

Before the tax reform, businesses which had employee profit sharing plans were penalized by being denied tax rebates granted to other businesses.

[Mr. Rodrigue.]

I am quoting the following from Mr. Asper:

> The new legislation is maintaining this discrimination. Furthermore, it is forbidding trustees of those pension funds to invest funds in shares, bonds or debentures of the employer's businesses.

In conclusion, Mr. Asper says:

> In many cases, this discriminatory step will deprive small businesses from an important source of liquidities.

In Canada, there is no organized movement to promote the association of capital and labour. There are, of course, a limited number of experiences of associations of some kind or other, that are more or less authentic, but the phenomenon is not widespread; it is almost unheard of. The vast majority of Canadian businesses are of the traditional capitalistic type and working for wages is the almost universal system across Canada.

Profit-sharing is the only form of association that enjoys even a minimum of popularity in Canada.

One of the most dependable sources of information is doubtless the Council of Profit Sharing Industries. This organization has, amongst its Canadian members, a firm of professional advisers who specialize in giving technical assistance to those who wish to set up a profit-sharing plan.

The same organization is much more specific in its statistics and closely sticks to reality, when referring to profit-sharing experiences with deferred distribution.

In its brief submitted on March 9 1956 to the Royal Commission on Canada's Economic Prospects, it suggests that there are in the country 150 such cases at the most, among which about a hundred only are recognized by the federal government for income tax purposes as pension funds. The other fifty come under section 79 of the Income Tax Act. The Council bitterly points out that the hundred cases recognized by the government only represent 7 or 8 per cent of the aggregate pension schemes recognized by the Canadian government, while in the United States that percentage reaches 35 per cent, that is about 8,000 out of 28,000 as of December 31, 1955.

It is obvious, Mr. Speaker, that the present economy could not be converted into a sharing economy without major changes in our way of seeing things and expressing them in economic terms.

In the face of powerful industrial monopolies, pursuing the accumulation of gains much more than the common good, we may certainly wonder whether they are really exercising rights of ownership.

Socialists seize this opportunity to call for nationalization of major firms, as if the fact of replacing the industrial monopoly with a state monopoly would correct the monopolistic nature of the enterprise. Will the worker, depersonalized and having become number 253 employed by Capital-Anonymous Company, cease to be No. 253 punching the same clock, doing the same work, when the shares have been purchased by the state? Taxpayers will have paid for this purchase and will not draw one cent in dividends.

Something else is needed.

In the magazine *Jeune Patron* of May 1951, Mr. Alexandre Dubois, an employer himself, son, grandson and great-grandson of an employer, wrote an article that

many would find bold, under the heading "Moving ahead of the capitalist undertaking." He begins with this revolutionary sentence: "Enterprise is not ownership."

He explains:

In our opinion enterprise is not an object which can be owned. Man can own things. Enterprise is not a thing, it is an act. To undertake is to act.

—An enterprise is not a property, that is, it does not belong to anybody but is common to many once it is launched into the economy. Everyone is free to undertake, but he is no longer the master of the enterprise he has created when others have participated in it through their labour, their capital, their payments for services rendered—

So Mr. Dubois sees in the enterprise far more than mere investment. Capital investment does not confer sovereign and exclusive rights, especially not in the case of an expanded enterprise which has become a giant, through self-financing and reinvesting of the benefits included in its prices and taken from the public."

If financial interests were a true representation of reality, if a social organization were to automatically issue new credit to finance any new industry, it would not be necessary to put an end to the rule of capital and this evil would not exist then.

Money-capital would arise as technicians and skilled workers would undertake and carry on the development of raw materials and natural resources of this country. And this capital would be controlled by those who thus create a new wealth.

The present method used to finance a new industry or expand an existing business, entails two undesirable results: first of all, it alters the balance between prices and the purchasing power, since it adds to the cost of production the cost of an increasing production capacity; also, it enables whoever owns capital to increase his assets at the expense of consumers who have to pay for it. So you have, on the one hand, always a fewer owners with bigger and bigger properties and, on the other hand, an increasing number of proletarians who can live only with the permission and under the thumb of the former.

• (2150)

This is an inhuman lot that would be easy to change gradually but quickly by applying a financial system in accordance with facts.

Now is the time to apply the principles of sound finance. This is a development, therefore new wealth. If we wish to finance it through money already in circulation, we prevent money from buying products already on the market.

Any new production must be financed through new credits just as any destruction of wealth should lead to a corresponding cancellation of credit.

Therefore, it is the national credit agency which grants money according to the development of the country.

If finance is considered as an accounting of facts, there is no further financial obstacle to physically possible achievements. It is also easy to have finance as a servant of the workers as much as of the first shareholders.

Therefore, the workers could gradually become co-owners of the business which is their employer. The more the business would expand, the quicker this accessibility would be. Instead of increasing the number of proletarians, the growing industries would free the worker from his proletarian status.

Co-operative management of big industry would be taken over from the "money men" without trouble, confiscation or nationalization.

Naturally, none of this will be possible until such time as the necessary changes have been made in our present financial system.

At the present time, finance has no close or constant link with reality. Wealth is created without money being created. Wealth disappears without money disappearing. Some people create wealth: others create money and appropriate it for themselves.

As long as that confusion reigns, it will be useless to seek logical solutions anywhere, for finance acts as the policy everywhere.

One change is imperative: we must set aside the present method of putting out money and recalling money and credit; let the government take over the control of the creation of money and credit, according to the proposals of the Social Credit Party of Canada.

The Acting Speaker (Mr. Laniel): Proceedings on the motion before the House have expired, pursuant to Standing Order 58 (11).

[*English*]

Does the House agree that we call it ten o'clock?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

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

IMMIGRATION—SUICIDE OF ALICIA WIERCIOCH—REQUEST FOR INVESTIGATION

Mr. Stanley Haidasz (Parkdale): Mr. Speaker, I am sure we were all shocked to hear about the tragic death by suicide on June 6, 1972, of an unfortunate 35-year old Polish woman and mother, Alicia Wiercioch, who was under a deportation order, having lost her appeal before the Immigration Appeal Board on March 15 last.

As is the case with so many other people, she was so favourably impressed by the quality of life in this country that she decided to take the necessary steps to obtain landed-immigrant status. But various unfortunate circumstances and misunderstandings finally led to her despair and, eventually, to an untimely and tragic death. What a sad end in Canada to this visitor who only four years ago was filled with so much hope for a new and better life! This tragedy, as well as other near-tragedies and hardships of people who have to deal with our immigration and deportation laws and regulations, has finally given a sense of urgency and gravity to a review of the laws and regulations now being carried out by the department.

Proceedings on Adjournment Motion

It is regrettable that the House did not grant me, on June 7, unanimous consent to move my motion as follows:

That the House of Commons Standing Committee on Labour, Manpower, and Immigration investigate the circumstances of the suicide of Alicia Wiercioch, who was ordered deported by the Immigration Appeal Board, and that the committee review the Immigration Appeal Board Act and related federal legislation and regulations and consider amendments to these and other acts as necessary.

From newspaper articles in the past few days it should be clear that the many statements, allegations and accusations that have been reported call for an investigation of this case. I join many of my colleagues in this House and members of the public who have, in their statements in the past week, called for changes in the laws and regulations regarding deportation and immigration matters. It is not right to enforce impractical and harsh laws or regulations. I believe that justice should be tempered with mercy and compassion, and these should guide our decisions. There are often complex circumstances in the life of a human being, and these should be taken into account, especially by those in positions of responsibility.

• (2200)

In view of the tragic death of Alicia Wiercioch and the many complaints from potential immigrants and their sponsors, and especially in view of the hardship resulting from long delays before hearings are brought before the Immigration Appeal Board, I believe the government should give immediate attention to making the necessary changes in proposing to Parliament appropriate amendments to our laws governing immigration and deportation so that all these hardships will be removed.

I would also like to stress the need and importance of improved communication between government agencies and the public. Where indicated, adequate interpretation and counselling services should be clearly offered and readily provided. Instructions printed in many languages in information bulletins such as, for example, in the ethnic press, would greatly assist in providing better communication. I believe that this House and the nation are impatiently awaiting prompt action by the government in matters of immigration and deportation regulations.

Mr. Jack Cullen (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I compliment the hon. member for the manner in which he has pursued this matter from the outset and used all the channels open to him. As you are aware, the Minister of Manpower and Immigration (Mr. Mackasey) earlier today spoke on this subject in an effort to clear the record.

In case some members were not present at the time, I will try, in the limited time available to me, to set out the facts of this tragic case. The straight, unembellished facts are that Mrs. Wiercioch came to Canada on August 19, 1968, for a six-month visit with a distant relative. Shortly after arrival, on September 30, 1968, she applied for permanent landing.

At the time of this application, as is customary, she was asked to sign and did acknowledge in writing her understanding that she could not work in Canada without the written authorization of an immigration officer. When first interviewed on October 10, 1968, Mrs. Wiercioch informed the officials that her husband and two children would be able to go for a trip to one of the European countries where they would apply for political asylum. She stated that her husband had given permission for her to come to Canada and he wanted to join her. She was therefore supplied with immigration application forms for forwarding to and completion by her husband. In early January, 1969, Mrs. Wiercioch brought in the completed forms and her husband's employment reference as an engineer.

At this stage the matter of the examination of the family overseas to determine their ability to meet normal immigration requirements appears to have run into some difficulties. When she was again interviewed on November 25, 1969, she stated that she believed her husband wanted a divorce but that she would still wish to bring out the children. It was then that she disclosed that she had been working without permission. Because Mrs. Wiercioch had effectively disqualified herself from the benefits of that part of the immigration regulations which provide for the admission as immigrants of non-immigrants applying within Canada, the application was refused. She was then given the opportunity to leave Canada voluntarily but she decided, instead, to come before a special immigration inquiry.

At the inquiry, which took place on September 24, 1970, she was ordered deported—basically because she had taken employment here without the authorization of an immigration officer. As is well known, she then appealed to the Immigration Appeal Board, and on March 15, 1972, the appeal board, having found no evidence that she would be persecuted if returned to Poland, dismissed the appeal and directed that she be removed from Canada as soon as practicable.

On March 30, 1972, the department was informed that her counsel had filed a notice of motion on her behalf with the Federal Court of Appeal seeking time within which to appeal the board's decision. Following this notice of motion, as the House has already been informed on previous occasions, all further departmental action respecting Mrs. Wiercioch was immediately suspended and the department received no further communication from her or her counsel until her untimely death.

As the minister pointed out earlier, the refusal of her application was necessary under the existing legislation because she had disqualified herself as an applicant in Canada by taking employment without authorization. The hon. member for Parkdale (Mr. Haidasz) must by now be aware of all this from the minutes of the appeal board hearing which I understand were forwarded to him last week. I think it is to his credit that he has asked for as much information as possible, and I am sorry that time does not permit me to complete the answer.

POST OFFICE—REQUEST FOR ACTION TO IMPROVE SERVICE IN RURAL MANITOBA

Mr. Jack Murta (Lisgar): Mr. Speaker, I rise to speak on the deteriorating postal services in rural Manitoba and especially in my home constituency of Lisgar. This is a subject which I have brought to the attention of the minister and his parliamentary secretary both by letter and in

the question period, yet it seems that they are ignoring my complaints.

In a question to the parliamentary secretary some time ago, I pointed out that our local postal service left much to be desired in terms of efficiency, and in his response he denied the premise of the question. I find his attitude toward this problem quite extraordinary. I have had dozens of letters on this matter from my constituents—businessmen, housewives and farmers. The parliamentary secretary might note that I have even had complaints from his own constituency which is adjacent to mine. Could it be that the hon. gentleman is not only ignoring my complaints on the matter but is ignoring also the complaints of his own constituents?

I hope in his reply tonight the hon. member will not once again deny that the postal service is deteriorating. I will not accept this because I know that our postal service is not what it should be in Manitoba. It is my contention that the Post Office has sacrificed its service to rural points in order to streamline its urban services. I submit that the Post Office should not be allowed to create priorities as to which areas should receive better service than others. This is not in the spirit or tradition of our postal service. My point is, that despite theories of rationalization of postal services, cost-cutting and other similar programs, every citizen of this country is entitled as a right to have prompt, efficient postal service the same as we have grown accustomed to over the years.

Now, what is the problem in rural Manitoba? It is simple. It is taking twice or three times as long as it should for letters to reach their destination. I could list dozens of examples. One constituent of mine had advertisement letters sent out within a 60-mile radius ten days before a sale in his business. Most of the letters arrived after the sale was over. He thus incurred a large loss of potential business, plus considerable postal costs which were also lost.

I have in my hand, Mr. Speaker, another example of our poor postal service—two letters addressed to the same firm in Winnipeg, from Carman, Manitoba: one was sent on May 13 and the other on May 26. They both arrived on May 29. These letters contained important business documents. I hope the Postmaster General (Mr. Côté) and his parliamentary secretary realize the ramifications of such poor service. Business which relies on efficient service suffers accordingly. If the parliamentary secretary wishes, I will give him dozens of examples; but they are all the same.

The parliamentary secretary cannot deny the premise because, as I have said, I have ample evidence that postal services are in fact deteriorating. The minister at times seems incapable or careless about how the Post Office is run. I would urge him once again to contact his departmental officials in Winnipeg and find out where the troubled spots are and rectify them as soon as possible.

Until recently, Canada has enjoyed one of the most efficient postal services in the world. This is rightly so. A country as vast as Canada needs a highly efficient postal service. Our citizens and businesses have grown accustomed to this good service. This is the standard which we are used to and it is the standard which should be maintained.

In closing, Mr. Speaker, I wish to make two points. The first is that my constituents—and the parliamentary secretary's constituents, for that matter—will not accept statements that the Post Office is running as efficiently as ever. This we know not to be true and we will not accept it. My second point is that no matter what excuse the hon. gentleman is likely to give, as long as it is an excuse it is not acceptable. There should be a common standard of postal service in this country: it is a prime element of business efficiency and this common standard of postal service should be available to every citizen as a right no matter where he lives.

Now that I have made these points, Mr. Speaker, I will give the floor to the hon. gentleman because I am very interested in hearing what he has to say.

Mr. Jack Cullen (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, it is unfortunate that the hon. member, after asking his original question and raising this subject, did not see fit to present to the Postmaster General (Mr. Côté) or his parliamentary secretary concrete evidence to substantiate the kind of complaint he has registered. Anyone can get up and say that the post office service is bad—

An hon. Member: Are you doubting his word?

Some hon. Members: Oh, oh!

An hon. Member: That's typical Liberal arrogance.

Mr. Cullen: Mr. Speaker, apparently hon. members do not want to hear the facts; they are drowning-out my words with the noise they are making.

An hon. Member: Wake up.

Mr. Cullen: I am merely saying that it would have been better if the hon. member had presented to the parliamentary secretary or the Postmaster General specific examples and specific evidence relating to his complaints. These could have been investigated. When the parliamentary secretary hears complaints like that, he brings them to the attention of the minister. That is what the hon. member ought to have done, instead of making these charges.

The Post Office Department has conducted an intensive study of rural mail delivery service in Lisgar. The quality-assurance investigation was extended to every village and municipality in the constituency, and no delays in the delivery service were found. As of June 5, 1972, this study was enlarged to encompass surrounding constituencies. A report from the investigative team on service in these areas should be ready in the coming weeks.

I should like to point out, Mr. Speaker, that it is virtually impossible to verify delays in postal delivery service in any given locality unless specific cases are given, so that they may be traced. This the hon. member has not seen fit to do; he has simply generalized. Some people do not always get mail in time and some businesses do not always get it either. It would have been better if the hon. member had done a little homework and research, if he wanted to help the Post Office Department, and not hinder it. The frequency of postal service in rural areas is

determined by a set of guidelines. These are the same for all Canada.

REGIONAL ECONOMIC EXPANSION—GRANT OFFERED TO MANIWAKI FOREST PRODUCTS—NEW JOBS TO BE CREATED

Mr. John Burton (Regina East): Mr. Speaker, on June 6 the Minister of Regional Economic Expansion (Mr. Marchand) issued one of his regular news releases announcing offers of grants under the Regional Development Incentives Act. Part of the news release relating to an offer reads as follows:

> Maniwaki Forest Products Ltd. of Montreal has accepted an offer of approximately $181,000 for a new veneer facility at Maniwaki. The project is expected to create an estimated 74 jobs. The incentive is based on a rate of 15 per cent of the approved capital costs, estimated at $472,000, plus $1,500 for each job created.

A little arithmetic will show that 15 per cent of $472,000, the approved capital cost, comes to a little over $70,000, and 74 times $1,500, the amount for each job expected, equals $111,000. The two amounts added together equal $181,000. I want to make it clear at the outset that I am quite aware that the community of Maniwaki has encountered serious problems. I sympathize with it and think a good case can be made for public assistance to that community through a number of means. I want to make it clear that I recognize the particular problems that community faces, as I have said.

I am not dealing with this matter merely because it affects Maniwaki, and I would not want anyone to think that I am particularly talking about Maniwaki or any firm in Maniwaki. I intend to approach this matter from the standpoint of the broader policy and legal questions involved which have come to light as a result of this case. My cause for concern came about as a result of a news story which appeared in the Ottawa *Journal* of June 8. I raised the matter on a question of privilege the same day, and the government was aware of my concern about this matter one week ago. Today I asked a question in the House about this matter. The news story in the Ottawa *Journal* of June 8 in part reads as follows:

> Maniwaki mayor Louis-Pierre Larocque welcomed the announcement of a $181,000 federal government grant to Maniwaki Forest Products as 'good news for the town,' but plant manager Antonio Cuccaro said the number of employees would not be increased as a result.
>
> • (2210)
>
> Mr. Cuccaro said most of the money would probably be used to modernize the wood veneer plant.
>
> "We'll replace our outdated machinery," he said, "and we'll still operate on a one-shift basis with our 74 employees."
>
> Mr. Cuccaro said the company did not plan to increase production with its new machinery.
>
> "The number of employees will remain the same for some time," he added.

Today I asked the Minister of Regional Economic Expansion whether he would investigate this particular grant in view of the fact the grant was supposed to be for new jobs while the manager of the plant suggested the number of employees would not be increased. In his reply the minister indicated that he had looked into the matter. His answer was that if a grant had not been given, the plant would have closed and there would now be 170 less jobs in existence in that community. The grant corresponded to creating 170 jobs, as I understood the minister.

I have no doubt that there were problems facing this industry. The minister may very well be right when he states that without assistance this plant may not have stayed in operation. I have no idea where he got the figure of 170, since the reference in the official report is to 74. I note in the news story that in 1970 this plant had 180 employees. Perhaps that explains the minister's reference. It seems that he is getting his figures mixed up.

As a result of the answer given by the minister, in which he gave no explanation for this problem concerning the creation of jobs, I asked whether he had investigated the extension of grants under this legislation where new jobs were not being created but existing jobs were simply being maintained. The minister said that the legal advisers in his department said everything was all right. He turned down my request to ask the Department of Justice and the Minister of Justice (Mr. Lang) for a legal opinion on this matter. This raises some very serious matters, first from the viewpoint of legislation. After all, the minister does have authority within the terms of the legislation: section 5(2) of the Regional Development Incentives Act clearly states as follows:

> The amount of a secondary development incentive shall be based on the approved capital costs of establishing or expanding the facility in respect of which the secondary development incentive is authorized and on the number of jobs created directly in the operation and shall not exceed
>
> (a) 5 per cent of those approved capital costs, plus
>
> (b) $5,000 for each job determined by the Minister to have been directly in the operation.

When referring to the creation of jobs, I have always understood the term "create" to mean to bring into being. What we are doing here is maintaining a status quo. That is not creating jobs. There may be a case for providing some assistance to an industry in trouble: in fact, that is provided for in section 5 where a primary development incentive grant may be given simply on the basis of certain capital expenditures and is not tied to employment in any way. However, the minister cannot claim that jobs are being created on the basis that he set out with regard to the case that I raised today.

I asked how many of the 58,000 jobs which he estimated have been created under this industrial incentives program are on the same basis. They are not new jobs at all; they are simply salvaging jobs in industries which are in trouble. In some instances there may be a case for providing assistance. If we want to maintain existing industries and tie this to employment maintenance, there should be a clearcut policy in this regard: the legislation should spell that our clearly. However, the minister should not be in a position of contravening legislation, as could very well happen in the case which I raised today.

The Acting Speaker (Mr. Laniel): Order, please.

Mr. Jack Cullen (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, as the hon. member undoubtedly knows, Sogefor, the previous owner of the Maniwaki veneer plant, publicly announced its intention to close the plant in December, 1970. In Febru-

ary, 1971, Maniwaki Forest Products applied for incentive assistance, indicating a willingness to purchase the assets of the Sogefor plant in an arm's length transaction and an intention to introduce changes which would make the operation viable in the long run. The company also indicated a willingness to reopen the plant on a reduced scale as quickly as possible in order to offset almost immediately, if in a limited way, the effect on employment of the previous closure. It proceeded to acquire the assets and reopened the plant on June 1, 1971, having obtained from the Department of Regional Economic Expansion an understanding that these actions would not prejudice its application for assistance.

Evaluation of the viability of the project was somewhat delayed because of time required to assess the implications of the detailed plans for changes in the operation. When the evaluation had been completed, an offer of incentive assistance was made. It is this offer that was recently accepted and announced.

In the view of the department, all the actions taken were in accordance with the provisions of the law and the intentions of Parliament at the time it was passed. It is clear that these actions, which helped greatly to offset the effects of the closing and which should make it possible for the plant to continue on a viable basis, were highly desirable. If any member of this House thinks otherwise, I suggest he discuss the matter with the people of Maniwaki.

Motion agreed to and the House adjourned at 10.20 p.m.

HOUSE OF COMMONS

Friday, June 16, 1972

The House met at 11 a.m.

[*Translation*]

ORAL QUESTION PERIOD

LABOUR RELATIONS

QUEBEC—LONGSHOREMEN'S STRIKE—STATUS OF NEGOTIATIONS—REQUEST THAT MINISTER MAKE STATEMENT

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I meant to put a question to the Minister of Labour or the Acting Minister, but since both are absent, I shall put it to the Acting Prime Minister.

Could he give any information concerning the situation which exists at the port of Montreal, and does he anticipate any possibility of a settlement?

[*English*]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I have no reports later than those given to the House yesterday by the Minister of Labour who I thought made it quite clear where the responsibility lies. He is doing his best to get each of the parties concerned to live up to their obligations. I hope he also has the support of the hon. member.

[*Translation*]

Mr. Valade: Mr. Speaker, I should like to put a supplementary question to the Acting Prime Minister.

Since the Minister of Labour has not yet come back to the House—probably because he is being held by official duties—I should like to ask the Acting Prime Minister whether the Minister of Labour will take part in the debate on the motion now before us, and whether he thinks that his colleague will make a statement likely to make the people aware of the situation which exists at the port of Montreal?

[*English*]

Mr. Sharp: Mr. Speaker, I thought the Minister of Labour answered the questions very clearly and quite adequately yesterday, and I am sure he will respond again on other occasions.

* * *

THE CANADIAN ECONOMY

FOREIGN TAKEOVERS BILL—SUGGESTED PROVISION FOR MAJORITY OF CANADIANS ON BOARDS OF DIRECTORS AND COMPLIANCE WITH CORPORATE BEHAVIOUR RULES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. Following the announcement in the Ontario legislature yesterday that the Ontario government intends to take steps to ensure greater Canadian control of foreign-owned firms, and the announcement made yesterday in the Standing Committee on Finance, Trade and Economic Affairs by the chairman of that committee that the minister would be working this weekend on amendments to the foreign takeovers bill, will the minister now assure the House that among the amendments he will bring before us next week will be one to make it mandatory for foreign-owned firms in Canada to have 51 per cent Canadian membership on their boards of directors?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): No, Mr. Speaker. I explained that. I have given the reason why we thought as a general approach the screening method for takeovers was more realistic and more meaningful than a general automatic rule of Canadian participation. As a government we have explained ourselves fully on that. The hon. member is aware, however, that in Bill C-201, among the factors to be considered in the case of takeovers is Canadian participation, so obviously then participation is not pushed aside as meaningless by the government. What the Premier of Ontario did yesterday shows how right the Prime Minister was when he said that if some provinces feel that Bill C-201 does not go far enough they can always add to it. That is obviously what the Premier of Ontario is doing at this time.

• (1110)

Mr. Broadbent: The minister has answered that he does not intend to provide any such 51 per cent requirement. Would he, then, consider another amendment, namely, that all foreign-owned corporations operating in Canada must act in accordance with a fixed set of rules for good corporate behaviour formulated by the federal government, failure to comply with which would result in sanctions?

Mr. Pepin: We already have a set of guidelines for good corporate behaviour, though they do not enjoy the status my hon. friend would like. We have a number of these rules for good corporate behaviour, they were proclaimed in 1967 by one of my predecessors who was then Minister of Trade. These automatic rules by which one prescribes for example 51 per cent of the board of directors must be domiciled in Canada, and so on, are possibly useful rules—I am not denying that—but as I pointed out in the House in the course of my speech on second reading of Bill C-201, it is possible to find ways of getting around these rules and making them, in effect, meaningless. I am not saying they are not useful. I am just saying, as I said previously, that to us the screening method for takeovers is more realistic.

Inquiries of the Ministry

Mr. Speaker: Order, please. I will recognize the hon. member for Oshawa-Whitby for a supplementary, but hon. members may feel we are anticipating an order of the day. Hon. members are aware that this subject is due to come up for discussion next week. I would think that would be the time at which to engage in the debate in which we appear to be engaging now.

Mr. Broadbent: Bearing in mind the minister's feeling that none of these amendments would give greater substance to the bill, and his comments with reference to the action of the Ontario government, may I ask whether the federal government has decided, because of the high concentration of industry in the province of Ontario, that one province, namely, Ontario, is going to establish a national strategy with respect to Canadian industrial development.

Mr. Speaker: Order. I suggest to the hon. member that is argument and confirms my suggestion a moment ago that we were engaging in debate.

FOREIGN TAKEOVERS BILL—REASON FOR VISIT OF MINISTER OF NATIONAL REVENUE TO TORONTO

Mr. John Burton (Regina East): I should like to direct a supplementary question to the Acting Prime Minister. Can the hon. gentleman tell us whether the visit of the Minister of National Revenue to Toronto today and the meetings which I believe he is holding with the Ontario government are part of the consultative process in which he is engaged in connection with Bill C-201? Or did the visit come about as a result of the developments yesterday in Toronto?

Hon. Mitchell Sharp (Acting Prime Minister): It is my understanding that the Minister of National Revenue is in Toronto on a mission of consultation. He has visited most of the governments in the eastern part of the country. He is now in Toronto. I hope he will be visiting all the provincial governments to ascertain their reaction to Bill C-201 and that we shall receive, as we expect, very close co-operation from the provinces.

Mr. Burton: Bearing in mind the content of the Gray report which was tabled in the House, and the approach taken to Bill C-201, can the Acting Prime Minister tell us whether the Minister of National Revenue is now acting as a consultant to the Minister of Industry, Trade and Commerce or is he acting as a consultant to the government of Ontario?

Mr. Speaker: Order, please. We are getting somewhat far from the original question. The Chair will recognize the hon. member for Fundy-Royal for a supplementary and perhaps we should then allow the hon. member for Shefford to ask his question.

Mr. R. Gordon L. Fairweather (Fundy-Royal): I shall attempt to return to the subject and be in order, Mr. Speaker. When does the Minister of National Revenue expect to complete his round of visits to the provinces in order that he can give the evidence we are expecting about provincial reaction before the Standing Committee on Finance, Trade and Legal Affairs?

[Mr. Pepin.]

Mr. Sharp: I will check with my colleague. I know he has been very actively engaged. I have had some informal talks with him and I gather there has been a very co-operative attitude on the part of the provincial governments he has visited so far. On the basis of my own conversations with the Ontario government, I expect the same reaction there.

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[*Translation*]

LABOUR RELATIONS

QUEBEC—LONGSHOREMEN'S STRIKE—INQUIRY RESPECTING POSSIBLE INTERVENTION OF QUEBEC MINISTER OF LABOUR

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Secretary of State for External Affairs in his capacity as Acting Prime Minister.

This morning on the news the Quebec Minister of Labour, Mr. Cournoyer, announced that he intended to intervene as soon as possible in the longshoremen's strike. Is the Acting Prime Minister aware of offers made by the Quebec Minister of Labour in order to settle this dispute which has been going on for too long already?

[*English*]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I am not aware of this but I do understand that the Minister of Labour may be here today and will be able to answer these questions.

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IMMIGRATION

INTENTION OF GOVERNMENT REGARDING INTRODUCTION OF AMENDMENTS TO ACT—REQUEST FOR COMMITTEE INQUIRY

Mr. G. W. Baldwin (Peace River): Mr. Speaker, in the absence of the Minister of Manpower and Immigration and all related functionaries, may I put my question to the Acting Prime Minister. In view of the statement made yesterday by the minister regarding the Wiercioch case, in light of the statement made by his predecessor, the present Minister of Justice, in Montreal last December that he had no real control over his far-flung network of offices and officers and that there is often a difference between official policy and what happens in the field, and in light of the fact that for the last two sessions there was a note that legislation would be introduced to amend the Immigration Act, which note has not appeared this session, has the government now abandoned any intention to legislate in regard to this very difficult matter and is it going to continue to act by executive decree and ministerial bull in regard to these problems?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, as I understood the statement of the Minister of Manpower and Immigration, what he wanted to ensure was that the present legislation is carried out in the spirit as well as in the letter of the law. With this I entirely agree, and I am sure that that would be the view of my hon.

friend. The government has not abandoned its effort to amend the legislation but, as the hon. member knows, this is one of the most difficult, delicate and complicated matters that can be put before any government. We are very anxious that our immigration laws should continue to be liberal in the best meaning of that word.

Mr. Baldwin: Mr. Speaker, I will reject the opportunity to make the obvious statement, but I should like to ask the minister this question. In light of the fact that this is a very important and sensitive matter and that the people of Canada have a vested interest in it, acting through their representatives, would he discuss with his colleagues a review of their decision so the matter might be brought before a parliamentary committee and/or dealt with by way of legislation, as otherwise there would appear to be a rejection of the right of Parliament to deal with this matter?

Mr. Sharp: Mr. Speaker, I deny the allegation made in that assertion. The Parliament of Canada has approved laws which are now in effect. The Minister of Manpower and Immigration is trying to ensure that they are carried out effectively throughout the whole of Canada and by all the bureaucracy. The government has been considering this matter, I am quite free to say, over a period of many months. It is extremely complicated and difficult, and I would be much more anxious to get the right answer than to rush the process.

SUICIDE OF ALICIA WIERCIOCH—SUGGESTED REPLACEMENT OF APPEAL BOARD MEMBERS BECAUSE OF REASON GIVEN FOR REFUSING APPLICATION TO REMAIN IN CANADA

Mr. Eldon M. Woolliams (Calgary North): I have a supplementary question, Mr. Speaker. Would the Acting Prime Minister ask the Minister of Manpower and Immigration to read the judgment of the Immigration Appeal Board which sets out the facts and the reason why the immigrant in question was not permitted to remain in Canada? The judgment sets out very clearly that the person in question was refused admittance because of her ambition to have a job and work in Canada. Will the Minister of Manpower and Immigration, who said he had misinformation from his department, take steps to remove the Immigration Appeal Board members and bring about the liberal interpretation he has been talking about?

Mr. Andrew Brewin (Greenwood): I have a supplementary question, Mr. Speaker. In reviewing this matter would the government take a look at the white paper published by the government in 1966 which contains several recommendations regarding improvement of the legislation that have not yet been brought before the House?

Mr. Speaker: Order, please. The right hon. member for Prince Albert.

Inquiries of the Ministry

• (1120)

AIR TRANSPORT

HIJACKING—CANADIAN POSITION ON REQUEST THAT UNITED NATIONS SECURITY COUNCIL ACT—REQUEST FOR OUTLAWING OF BLACKMAIL PAYMENTS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. What attitude is Canada taking in reference to the prospective submission to the United Nations Security Council of the question of hijacking? What are the expectations of any action being taken by the Security Council having regard to the divided opinion among several members of that council?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as I said in the House of Commons the other day, the Canadian government would be very happy if this matter were brought before the Security Council. We are not members, but in general we have been supporting the idea. We also support action by ICAO, where we are represented, and where we believe that action which might be even more effective could be taken. I think the prospects are not too good, but we are still hopeful that some action will be taken because we would like some declaration by the United Nations or its principal agency that hijacking must be dealt with effectively and enlisting the support of all countries to deal effectively with hijackers by making sure they are brought to justice.

Mr. Diefenbaker: Whether or not the Security Council will act, of course, is very problematical, and it is almost impossible to anticipate favourable action. Having regard to the fact that there are deep fears of hijacking among passengers using aircraft in Canada and that each nation should take individual action in that international action is difficult, will the minister give consideration to having brought before the House before the adjournment an amendment to the law to provide that ransom or blackmail payments shall not be paid, thereby removing the incentive of the highly attractive remunerative opportunities which seem available to hijackers today?

Mr. Sharp: Mr. Speaker, perhaps I ought to preface my answer to that question by saying that Canada will be ratifying the international convention on hijacking now that the legislation has been approved. I expect this will be done on Monday. I have signed the necessary papers.

As to the second question of whether one can effectively legislate against blackmail, this is a problem with which the right hon. gentleman, I am sure, has been familiar in his practice. I think it is virtually impossible to prevent people from making payments in order to save the lives of those they love.

Mr. Diefenbaker: Mr. Speaker, there are many laws that are virtually incapable of full enforcement, but does the minister not consider that the removal of the incentive of potential gain under the law would certainly reduce the probability of many hijacking operations such as are taking place today? Would the minister say whether this matter has ever been considered instead of giving an offhand opinion such as the one he has just given?

Inquiries of the Ministry

Mr. Sharp: Mr. Speaker, I greatly respect the views of the right hon. gentleman in this field. He has obviously had much more experience in these matters than I, and I respect his judgment. From time to time we have looked at the general question, and undoubtedly we will have to look at it again in light of recent events.

HIJACKING—REQUEST THAT DISCIPLINARY ACTION NOT BE TAKEN AGAINST PILOTS WHO MAY BOYCOTT CERTAIN FLIGHTS

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I direct my supplementary question to the Acting Prime Minister. In any boycott by airline pilots of flights to countries that extend asylum to hijackers, will he assure the House that if Canadian pilots participate in such a boycott no disciplinary or reprisal action will be taken against them?

Mr. Speaker: Order, please. I think the hon. member will admit that his question is hypothetical.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I am somewhat fearful of this question as it seems so simple to me. Would it be a good idea if those countries which do not provide for extradition were excluded from any use of international airports? Why not just exclude those countries that do not provide for extradition?

Mr. Speaker: The hon. member will appreciate that is a representation.

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PUBLIC SERVICE

REQUEST FOR STATEMENT ON POLICY RESPECTING PROVISION OF EXPENSE-PAID TRIPS TO EMPLOYEES BY BUSINESS CONCERNS

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Minister of Supply and Services. I preface my question by saying it is founded upon the disclosure recently before a committee of the Ontario legislature that the Olivetti Business Machine Company provided an expense-paid trip for two public servants of the government of Ontario and subsequently sold some equipment to that government. Would the minister be prepared to make a statement in the House outlining federal government policy in respect of expense-paid trips for public servants arranged by businesses or corporations, particularly those that do business with the government?

Hon. James Richardson (Minister of Supply and Services): Mr. Speaker, the reference is to paid trips for individuals who are, I understand, selling to the Ontario government. It does not come directly within the jurisdiction of my department to examine payments to anyone travelling at public expense.

Mr. Howard (Skeena): Mr. Speaker, I should like to rephrase the question. I am asking the minister about federal government policy in the area of potential trips for public servants that are paid for by business concerns. Would the minister make a statement outlining federal government policy in that area?

Mr. Richardson: Mr. Speaker, this is not exclusively my area but I will be glad to consider the problem raised by the hon. member.

Mr. Howard (Skeena): Mr. Speaker, perhaps I could ask the Secretary of State for External Affairs in his capacity as Acting Prime Minister to find out which department or minister has responsibility in the area in question, and whoever it is, if it is anybody, would he be prepared to make a statement on federal government policy in respect of business concerns paying for trips and excursions for federal public servants?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I would think it concerns all members of the administration. If there is some particular case the hon. gentleman would like to discuss which does affect a federal civil servant, perhaps he might bring it to our attention.

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AIRPORTS

MOUNT HOPE, ONT.—DETAILS OF EXPANSION—HOLDING OF PUBLIC MEETINGS TO HEAR REPRESENTATIONS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a question for the Minister of Transport but he is not here. I do not know whether I should direct it to his parliamentary secretary; I think I will. It concerns Mount Hope airport. In view of the fact it appears that the minister and his department have revealed no detailed plans regarding the proposed expansion of Mount Hope airport, can the minister advise whether such plans have been finalized yet and when he expects to make them public? I do not know whether the parliamentary secretary can answer that question.

[*Translation*]

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I take this question as notice and I will relay it to the minister. I would simply say that according to the information I could get this morning, the reports in the *Globe and Mail* are greatly exaggerated.

[*English*]

Mr. Alexander: I shall ask the parliamentary secretary another question which he may wish to take as notice. In view of the fact the minister assured the citizens of Hamilton and all interested parties that public meetings would be held pending the final disposition of the matter, can the parliamentary secretary advise whether in fact such a meeting or meetings have been lined up and when they will occur?

[*Translation*]

Mr. Duquet: I will take this question as notice, Mr. Speaker.

[*English*]

Mr. Alexander: I have one last supplementary, Mr. Speaker. I might as well get this all on the record so that I can follow it up on Monday. In light of reports indicating that land acquisition for the airport expansion will begin very shortly and that construction is due to begin before the end of this year, can the parliamentary secretary advise whether such speculation is correct and, in any event, will he immediately contact the mayor of the city of Hamilton in order—

Mr. Speaker: Order, please. That question is out of order. The hon. member is inviting the parliamentary secretary to comment on what he himself calls speculation. Certainly a question in those terms is out of order.

• (1130)

Mr. Alexander: I rise on a point of order, Mr. Speaker. In view of the fact the minister is not here today even though under the roster system he is supposed to be here, and in light of the fact that this matter is extremely important to the city of Hamilton and other interested persons, I thought I would lay the whole matter before the parliamentary secretary so he could advise the minister that I will be following up the matter, on Monday.

Mr. Speaker: Order, please. That has nothing to do with a point of order. The hon. member has asked three questions. I suggested to him that the third question was out of order, and it will not be more in order on Monday.

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POST OFFICE

POSITION OF NEGOTIATIONS WITH UNIONS ON NEW CONTRACT

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Postmaster General. Now that the Council of Postal Unions has placed a demand before the Post Office and Treasury Board negotiating team calling for a 14 per cent pay boost and a 35-hour week for its 24,000 workers, will the Postmaster General be making a progress report to Parliament on the matter?

[*Translation*]

Hon. Jean-Pierre Côté (Postmaster General): Mr. Speaker, I do not know where the hon. member has obtained the figures or the requests made by the unions. I was not aware they had been published. I have absolutely nothing to add except that I hope that the meetings concerning negotiation will take place more frequently from now on.

[*English*]

Mr. Dinsdale: In view of the strong opposition on the part of the postal unions, to the regional pay proposals, will the government be withdrawing this part of its package of proposals from the current negotiations?

[*Translation*]

Mr. Côté (Longueuil): That is a question that has to be discussed at the bargaining table, Mr. Speaker. I think that we will have to change our position and that the union will likely have to change its own.

[*English*]

Mr. Dinsdale: Is it the intention of the government to use the services of the special negotiators from the Department of Labour in order to facilitate an early settlement of this important matter?

[*Translation*]

Mr. Côté (Longueuil): We are ready, Mr. Speaker, to take all necessary means to reach an agreement as soon as possible, but it is exceedingly important, I believe, to hold meetings where negotiations could be carried on.

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[*English*]

ENERGY

PROPOSED MACKENZIE VALLEY GAS PIPELINE— POSSIBLE PARTICIPATION BY PANARCTIC IN CONSORTIUM

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. Has Panarctic joined the consortium formed recently to build the Mackenzie Valley pipeline, or will the government be encouraging it to do so?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I will bring that question to the attention of the Minister of Energy, Mines and Resources. I have not followed recent developments.

PROPOSED MACKENZIE VALLEY GAS PIPELINE— INQUIRY AS TO LEGISLATION RESPECTING CANADIAN PARTICIPATION AND CONTROL

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a supplementary question which I should like to put to the Acting Prime Minister. As there is much mystery and secrecy about this new pipeline, would the Acting Prime Minister advise us whether a special bill will be brought before the House with reference to this consortium, setting out what kind of Canadian participation and how much Canadian control we will have in this new pipeline, or is a licence just going to be granted under the pipeline legislation on the statute books?

Hon. Mitchell Sharp (Acting Prime Minister): I would think that one of the relevant considerations in the application will be the degree of Canadian participation.

Mr. Woolliams: The Acting Prime Minister seems a little worried about the possibility of another pipeline debate.

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

Mr. Woolliams: I will put my question now, Mr. Speaker. Would the Acting Prime Minister assure the House that before any decision is made on a licence or any consent is given to any persons or corporations a full statement will be made to the House on what policy the government is really following, because there is secrecy and mystery about the whole thing?

Mr. Sharp: I hope I do not look worried. I can assure the hon. gentleman that there is no secrecy or mystery about this. Apparently the hon. gentleman knows a good deal about this matter. The Minister of Energy, Mines and Resources has made one or two statements about the proposal. We are encouraged by the fact that there is the possibility of a gas pipeline down the Mackenzie Valley to move Canadian gas and perhaps Alaska gas, as well. It is most encouraging to us that Canadians are showing a real interest in getting this gas pipeline going.

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PARLIAMENT

ALLEGED CONFLICT OF INTEREST ON PART OF SENATOR—INQUIRY AS TO ACTION

Mr. Donald MacInnis (Cape Breton-East Richmond): My question is directed to the Acting Prime Minister, Mr. Speaker. Is it the intention of the government to investigate the conflict of interest charges resulting from committee hearings in the other place?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, apparently the hon. gentleman follows the proceedings in the other place better than I do. Would he explain the point?

Mr. MacInnis: There is no need for the Acting Prime Minister to remark on the obvious. Everybody on this side follows matters more closely than he does.

Mr. Speaker: Order, please. Perhaps the hon. gentleman might ask his supplementary.

Mr. MacInnis: Mr. Speaker, if the minister wants a further explanation, the fact is that during committee hearings in the other place conflict of interest charges were raised against a member of the other place by another member of that other place involving special interest groups being served by members of the other place.

Some hon. Members: Oh, oh!

Mr. MacInnis: I rise on a point of order, Mr. Speaker. May I say in further clarification for the Acting Prime Minister that the other place is what we usually refer to as the other half of Parliament.

Mr. Speaker: Order, please.

Mr. Sharp: I was just trying to penetrate the secrecy and mystery. Now I understand it better.

Mr. MacInnis: Mr. Speaker, now that the Acting Prime Minister understands it, may I ask whether the government is going to investigate these conflict of interest charges that have been made?

Mr. Sharp: Mr. Speaker, we will certainly look at the evidence before the committee and see whether there is a basis for any government action.

Mr. MacInnis: Mr. Speaker, I rise on a question of privilege for the obvious reason that Parliament is involved, and when Parliament is involved each and every Member of Parliament is involved. The members of this House are answerable to the public because they are elected members. Therefore any conflict of interest charge in the other place is something that the government should investigate immediately so that members of this House will not have actions of the other place held against them.

Mr. Speaker: Order, please.

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OPPORTUNITIES FOR AGED

INQUIRY AS TO IMPLEMENTATION OF NEW HORIZONS PROGRAM

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, I have a question I wanted to ask the Minister of National Health and Welfare. In his absence, and I believe that of his parliamentary secretary, perhaps some minister would take note of it or perhaps answer it. Is it the intention of the government to proceed with the earlier announced New Horizons or opportunities for the aged program this year, and are old age pension organizations being involved in the planning of the program?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I believe there will be a government announcement soon.

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FRUIT

STRAWBERRIES—STEPS TO PREVENT IMPORTS FROM MEXICO DAMAGING INDUSTRY

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, my question is for the Minister of Agriculture. A news item datelined Mexico City recently announced that a Mexican trade mission has released information of the sale to Canada of fresh and frozen strawberries to the value of $2.8 million. What steps will the minister take to prevent this importation from seriously damaging the berry-growing industry in all parts of Canada?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, we have a variable import levy on fruits brought in during seasons when there is no great production in Canada or when they are out of season so far as Canadian production is concerned. Although I read that press release also, I could find no evidence within Canada that would substantiate some of it.

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GRAIN

PRICE OF RAPESEED—INQUIRY AS TO ESTABLISHMENT OF FLOOR PRICE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Agriculture. It arises because of the fears aroused among rapeseed producers on the Prairies because the price of rapeseed

has come down from the top price during the year by about 41 cents. Can he give an explanation as to the reason for this because this is a question that is being asked everywhere?

Hon. H. A. Olson (Minister of Agriculture): I could do so, Mr. Speaker, but I suppose it would take somewhat longer than the time that would be given to answer a question. The price of rapeseed in Thunder Bay yesterday was $2.35 a bushel, which was substantially higher than the low point that was reached, for example, last January. It is not quite as high as it was some days last August, but it is certainly not at the low point for the year now, nor has it happened suddenly.

Mr. Diefenbaker: Mr. Speaker, the minister failed to say that it is also very much lower than the price during the year on several occasions. Under the circumstances, because we are not going to be able to have the benefit of his explanation of the unexplainable, will he advise us whether the government is giving consideration to setting a floor price that will assure the farmer a fair return?

• (1140)

Mr. Olson: Mr. Speaker, the right hon. gentleman asked that question about three or four weeks ago, and I think the answer I gave then is still valid.

[*Later:*]

Mr. Diefenbaker: Mr. Speaker, I wish to ask a supplementary question with reference to the last words of the minister that the answer today was as good as the one given four weeks ago. I would say it is just as bad.

Mr. Olson: It is still valid.

Mr. Diefenbaker: I ask him now to answer the question: is the government giving consideration to providing a floor price to assure that the rapeseed farmers will have a reasonable return?

Mr. Olson: Mr. Speaker, as I replied a few weeks ago, there is a bill before Parliament dealing with rapeseed, rye and flax in the context of the operations of the Canadian Wheat Board. The right hon. gentleman knows as well as I do that the initial prices paid under the Wheat Board do in fact constitute a floor price. This bill is already before Parliament, but we do not have the authority at the moment to do this.

Mr. Diefenbaker: You don't have the authority? The government certainly has, and the minister knows it.

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NATIONAL DEFENCE

REPLACEMENT FOR ARGUS AIRCRAFT—INQUIRY AS TO DECISION

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Minister of National Defence although there are several supplementaries I would like to ask other ministers. In any event, I direct the question to him because he may be elsewhere next week. Has any

decision been made with regard to a replacement for the Argus and, if so, have proposals gone out to aircraft manufacturing companies for their consideration?

Hon. E. J. Benson (Minister of National Defence): No, Mr. Speaker.

Mr. Nowlan: When will there be a decision on the Argus replacement?

Mr. Benson: The matter is being studied, Mr. Speaker.

Mr. Nowlan: So are you.

REQUEST FOR ASSURANCE THAT FOURTH TRAINING SQUADRON BASED AT ESQUIMALT WILL BE OPERATIONAL THIS SUMMER

Mr. Doug Rowland (Selkirk): Mr. Speaker, I wish to direct a question to the Minister of National Defence. During the course of the hearings of the Standing Committee on External Affairs and National Defence with respect to the defence white paper it was suggested to the committee that the fourth training squadron based at Esquimalt might not be operational this summer because of difficulties in finding the four to eight necessary engine room personnel. Since that squadron is capable of training some 500 reservists from all parts of the country during the summer, can the minister assure the House that it will be operational this summer?

Hon. E. J. Benson (Minister of National Defence): Mr. Speaker, I will have to check on its current status and report back to the House.

DATE OF UNFREEZING OF DEFENCE BUDGET—CRITERIA TO BE USED

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is perhaps related to the one just asked. It arises out of the mounting pressures and difficulties the forces are having in meeting their standards of training as a direct result of the prolonged frozen budget. Can the minister say when this situation will be corrected? As a supplementary, can he say whether or not any decisions have already been taken, or are at the consideration stage, with respect to the criteria that will be used in the unfreezing of the defence budget?

Hon. E. J. Benson (Minister of National Defence): Mr. Speaker, as indicated in the white paper the defence budget is to be unfrozen for the 1973-74 fiscal year. As to exactly what this involves, negotiations and planning are going on with the Treasury Board.

Mr. Forrestall: Inasmuch as the forces will be undertaking their budgetary planning for the coming year very shortly—indeed, in some instances they are already doing it—have any instructions gone out to the various commands with respect to their programs for spending under the unfrozen budget?

Mr. Benson: Mr. Speaker, with respect to 1973-74 the departmental budgetary estimates have been prepared and are now a matter of discussion with the Treasury

Board. Here we are talking about the forward fiscal year beyond this one.

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AGRICULTURE

SMALL FARM ASSISTANCE PROGRAM—FURTHER DISCUSSIONS WITH PROVINCES—DATE OF IMPLEMENTATION

Mr. Jack Murta (Lisgar): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. It concerns the small farms development program about which we have been hearing something of late. Does the government expect that there will be further discussions with the provinces on this program, and when does the minister expect that the program will be taking effect?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, the answer to the first part of the question is yes. I cannot give a precise date as to when it will take effect. In those provinces with which we reach an agreement, obviously the agreement will specify when it will be operational. I want to repeat what I have said a number of times. I am disappointed and impatient that the provinces have not come forward more rapidly. If they do not sign pretty soon we will operate it ourselves.

Mr. Murta: As it appears almost certain that at least some of the provinces will not accept the criteria laid down by the government, how much duplication can be expected with the provincial and federal programs overlapping in certain areas?

Mr. Olson: Mr. Speaker, this would be minimized to a great extent if the provinces would co-operate.

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I would like to ask a supplementary question with regard to the small farm rationalization program. In view of the fact the provinces have firmly rejected the present proposals of the government, would the Minister of Agriculture give consideration to bringing in enabling legislation so that there could be some co-operation between the provinces and the federal government?

Mr. Olson: Mr. Speaker, I do not know how you can legislate the provinces to sign an agreement. I would not even try that. We already have authority from the House so far as federal participation is concerned.

[*Translation*]

SMALL FARM ASSISTANCE PROGRAM—RESULT OF MEETING BETWEEN FEDERAL AND QUEBEC MINISTERS

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a supplementary question to the Minister of Agriculture.

Since the Quebec government had also made some reservations about that policy, can the minister tell the House whether he has been in touch lately with the Quebec Minister of Agriculture in connection with that program and whether those talks have actually given some result?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Yes, Mr. Speaker, there have been many discussions with the Minister of Agriculture of Quebec. I think there is no great disagreement on the features of the program, but there is some disagreement on who will administer those features.

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AIRPORTS

TORONTO INTERNATIONAL—REASON FOR CHARGE FOR BUS TRIP BETWEEN TERMINALS

Mr. S. Perry Ryan (Spadina): Mr. Speaker, I wish to direct a question to the Parliamentary Secretary to the Minister of Transport in the absence of the minister. As the planned moving sidewalk between terminal one and the newly opened terminal two at Toronto International Airport has not yet been installed and a temporary bus system has been set up, would the parliamentary secretary tell the House the reason for the 25 cent charge which is being made for this very short trip?

Mr. Speaker: Order, please. I have very serious doubts whether this question should be asked during the question period. If there is urgency about the charge to which the hon. member refers I would think the question should be raised at the time of adjournment. Orders of the day.

Mr. Ryan: Ten o'clock.

• (1150)

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—REQUEST THAT GOVERNMENT INTERVENE TO SETTLE QUEBEC LONGSHOREMEN'S STRIKE

Mr. Georges Valade (Sainte-Marie) moved:

This House regrets the Government's continuing refusal to this date to intervene in the impasse between the International Longshoremen's Association and the Maritime Employers' Association despite the short and long term damage to the St. Lawrence seaports, to the users of the national transportation system and to the economic well-being of Canada and despite the sufferings of the longshoremen and their families; and therefore this House, in the public interest, calls upon the Government to intervene forthwith to end the strike.

Mr. Speaker, before dealing with the matter which I have brought before the House this morning as a motion, I would like to invite the hon. Minister of Labour (Mr. O'Connell) who is directly involved and responsible to the House for the administration of legislation regarding working conditions in Canada and for disputes which

may concern the federal government directly or indirectly.

I wish the Minister of Labour were present in the House but in his absence, the former Minister of Labour (Mr. Mackasey) at least should be here as Acting Minister of Labour, because when disputes cannot be settled by the Minister of Labour, the Minister of Manpower and Immigration is often asked to step in. I am truly disappointed to see that neither of those ministers are present to reply to a most important question.

Mr. Speaker, I do not intend to start a useless quarrel but rather to acknowledge the unfortunate situation which prevails in Canada due to a most serious problem affecting thousands of workers and the Canadian economy.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The Minister of Labour will soon be here—

Mr. Valade: The Minister of Industry, Trade and Commerce tells me that the Minister of Labour will soon be here. I hope so, but it is unfortunate just the same that he is not here for the beginning of our proceedings since such a question falls under his jurisdiction.

But if the Minister of Industry, Trade and Commerce wants to assure me that the Minister of Labour will be here in a few seconds, I am willing—

Mr. Pepin: I am taking note of your views right now—

Mr. Valade: Mr. Speaker, the hon. Minister of Industry, Trade and Commerce advises me that he is taking note of my views, but he can also take note that in the National Assembly the Quebec Minister of Labour has blamed the federal government for his inability to intervene in this conflict in order to settle it. So, if the Minister of Industry, Trade and Commerce wants to take note of my comments, he might also take note of those from the Quebec Minister of Labour, who is a member of a Liberal government, and yet is well known for his unfortunate interventions in the labour disputes occurring in Quebec.

Mr. Speaker, the matter is so obviously serious that I would not want to imitate the frivolous talk of the Minister of Industry, Trade and Commerce, nor fall into the thoughtless and unreasonable reactions or remarks from the government's spokesmen.

Mr. Speaker, if the hon. members would stop yelling, I might be able to continue my remarks. For the last half hour, we have had nothing but bedlam in the House.

Mr. Speaker, the motion that I move today on behalf of my party—and I trust on behalf of all hon. members concerned with public interest—is, I think, abundantly clear.

Mr. Speaker, what has made this motion necessary is the obvious indifference shown by the Minister of Labour since this dispute started, and his refusal to give clear replies to the questions of hon. members of the House, to whatever party they may belong.

I should not like to be partisan, to the extent of saying that government members take no interest in the matter. I believe all hon. members, whatever their political colour, the hon. member for Joliette (Mr. La Salle) included, have also risen in the House in an effort to force government action in this matter.

Mr. Speaker, the motion is clear and I believe—

Mr. Joseph-Philippe Guay (St. Boniface): Mr. Speaker—

Mr. Valade: I believe the motion I submitted is clear and explicit enough, as I said earlier and it comprises five major points.

First of all, the refusal—

Mr. Guay (St. Boniface): Mr. Speaker—

Mr. Valade: —would the hon. member please be quiet? If he has anything to say, he can do so later.

Mr. Speaker: Order, the hon. member is rising on a point of order.

[*English*]

Mr. Guay (St. Boniface): Mr. Speaker, would the hon. member permit a question?

Mr. Valade: Not at this time, Mr. Speaker.

An hon. Member: Sit down.

[*Translation*]

Mr. Valade: Mr. Speaker, I have clearly said that I do not wish to associate this very important matter with this sort of pranks played by some members and I regret that the hon. member does not take seriously so serious a question as that which we are discussing this morning.

Mr. Speaker, the motion contains five major items: First, the refusal by the government to break the deadlock through some positive action; second, the short and long-term damage to the St. Lawrence ports; third, the damage to the users of the national transportation system; fourth, the damage to the economic well-being of Canada and, by implication, of Montreal and Quebec; fifth, the human aspect involved in the hardship of the longshoremen and their families.

Representing a constituency which is at the heart of Montreal harbour activity and where a very substantial number of longshoremen involved in the dispute live, I had to intervene to protect the interests of my constituents and of the people of Canada as a whole.

Mr. Speaker, the ports of Montreal, Trois-Rivières and Quebec City have been paralysed for more than 30 days because of a conflict involving both the shipping firms and the longshoremen which only a few weeks ago had come to an agreement whereby the former Minister of Labour and member for Verdun would insure order in the ports for at least the next three years. Now, both parties find themselves right back where they started about their collective agreement with all the efforts made by both sides to come to a satisfactory agreement wasted.

An exact description of this situation was recently published as an editorial in the June 5, 1972 issue of *Le Journal de Montréal*, editorial which I wish to quote for the accuracy of its insight. In this editorial, Mr. Paul Gros d'Aillon puts the problems in its proper perspective before public opinion, and I quote:

Quebec Longshoremen's Strike

The conflict is so pointless, so subtle that no one really knows how to interpret it. No one knows either who is wrong or who is right. The employers interpreted in their own way the terms of the labour agreement on the constitution of the unloading crews. The union members countered and quit work. The employer retaliated and everyone was fired. The courts before which the case stands wonder what to do and the federal department of Labour refuses to grant the employers in the three ports of the St. Lawrence the right to take the longshoremen's union before the courts.

Arbitration should therefore be resorted to, to settle the conflict, but both sides attempt to lose themselves in a judicial jungle which camouflages the basic truths of the problem. In other words, no one will budge.

There is the gist of the problem, Mr. Speaker. Both parties are watching who is going to make the first move. In spite of the fact that either party, or both, would do well to go to arbitration, there is an accepted procedure which is contained in the collective agreement that was signed on March 29, 1972 and which is in force until December 31, 1974. This is indicated in paragraph 11 of section 1 and more specifically in paragraph 5, concerning grievance procedures.

However, as the editorial writer said, it is a matter of no one wanting to budge.

Notwithstanding this procedure provided in the collective agreement in cases of grievances, none of the interested parties has indicated its willingness to use it so far. This is ridiculous and unjustifiable.

It is a matter of mutual "pouting", Mr. Speaker, between the parties concerned, where the government and the Minister of Labour find themselves in a moral and political obligation to intervene in this conflict.

Mr. Speaker—

Mr. Guay (St. Boniface): The hon. member is hard to follow.

Mr. Valade: Mr. Speaker, if the hon. member has both his ears plugged and does not understand, let him sleep as he has done since the beginning.

Mr. Guay (St. Boniface): You are all mixed up and we cannot understand a thing.

Mr. Valade: Mr. Speaker, if the hon. member did not understand a thing, he certainly is ripe for defeat in the next election. He had better go back to the trough where he comes from.

• (1200)

Mr. Speaker, it is ridiculous that a member should act so irresponsibly in the House when we are dealing with a dispute affecting our whole economy and the well-being of longshoremen. He is not willing to—

Mr. Guay (St. Boniface): I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. Laniel): The hon. member for St. Boniface is rising on a point of order.

Mr. Guay (St. Boniface): Mr. Speaker, I should like to tell the member for Sainte-Marie that at least I attend the sittings of the House, that I go to committee meetings every day of the week, and that I have the pleasure of seeing the member in the House once a month.

The Acting Speaker (Mr. Laniel): Order, please. The hon. member will agree that he is only raising a point of discussion and that his point of order is not well taken.

[*English*]

Mr. Baldwin: Mr. Speaker, on the same point of order, may I ask Your Honour to direct members on the government side to allow the hon. member who has the floor to speak. They are making loud noises to disguise the fact there are so few of them in this House.

Mr. Guay (St. Boniface): Mr. Speaker, I rise on a question of privilege. If the hon. member who has the floor would stop making nonsensical references to members on this side of the House, he would not be interrupted.

The Acting Speaker (Mr. Laniel): Order, please. I think we might best solve the difficulty if we allowed the hon. member for Sainte-Marie (Mr. Valade) to complete his remarks as quickly as possible.

[*Translation*]

Mr. Caouette: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Laniel): Is the hon. member for Témiscamingue rising on a point of order?

Mr. Caouette: Yes, Mr. Speaker.

I have known the hon. member for St. Boniface (Mr. Guay) for many years now. I knew him when he was the level-headed mayor of St. Boniface. But in this House, although we do not always share the views expressed by the hon. member for Sainte-Marie, I think in all fairness that the hon. member for St. Boniface should stay quiet, keep silent and listen to what the mover of the motion has to say. If he disagrees, then he will have the privilege of making a speech, but he should let us listen quietly to the hon. member who has the floor.

The Acting Speaker (Mr. Laniel): Order, I request the co-operation of hon. members. I think the hon. member for Sainte-Marie should be allowed to proceed with his comments. I do not believe that these exchanges enable us to progress satisfactorily and I would urge hon. members to listen carefully to the comments of the hon. member who has presently the floor; later on, and in turn, they will be afforded the opportunity of making their comments either criticizing or supporting what has been said. It is customary for members in this House not to blame each other because of absences nor to check the attendance or absence record of hon. members, otherwise we would never make any progress.

Mr. Valade: I rise on a question of privilege and also on a point of order.

My point of order is that I hope the time spent on totally insignificant and frivolous interjections should not be at the expense of the time allocated to me; also I wish to see the procedure and practice of this House respected. When a motion is submitted by an hon. member, he should be

allowed to speak and should be respected, and later it will be possible for hon. members to express their views.

As the hon. member for Témiscamingue and leader of the Social Credit party of Canada (Mr. Caouette) said, anyone who does not agree with me must let me know, but must give me enough time to conclude my remarks on such an important matter.

Mr. Guay (St. Boniface): Mr. Speaker, I rise on a question of privilege.

The Acting Speaker (Mr. Laniel): The hon. member for St. Boniface on a question of privilege.

Mr. Guay (St. Boniface): Mr. Speaker, I should like to see the debate go on without reference to hon. members.

I should like to mention, Mr. Speaker, that I listened with pleasure to the remarks of the hon. leader of the Social Credit Party and I wish to tell him that I am happy to see him also in the House.

The hon. member who has the floor is referring to people he sees whenever he is in the House, and before making any remarks, he should know for sure who makes references—

The Acting Speaker (Mr. Laniel): Order. Again, I urge hon. members to help the Chair, and in this way, the debate will certainly progress much further. I will ask the hon. member for Sainte-Marie to go back to the matter without delay and may I ask other hon. members to stop making such interventions.

Mr. Valade: Mr. Speaker, I will certainly limit my remarks to the matter under study, as I feel the latter to be far too important for anybody to waste the time of this House in replies and exchanges of that kind.

I was talking, Mr. Speaker, of a conflict which is extremely serious. I spoke about the points which I raised in the motion. There are five of them, and it seems to me that they are clear. I concluded by saying that the only solution which seems practicable to solve this conflict at present, to put an end to the deadlock, is to take it to arbitration.

Mr. Speaker, if this was only my suggestion, I think that some hon. members would have the right to challenge this conclusion. But this solution, which seems to be the only feasible one at present, does not come from me alone. I have also consulted newspapers and certain reports, certain statements by responsible men whose advice has been taken in previous strikes—among which the former Minister of Labour, the hon. member for Verdun, who recently said, concerning this strike, that the only solution left was arbitration. It is reported in the newspaper *Montréal-Matin* of Wednesday, May 24, 1972, that the hon. member for Verdun, the former Minister of Labour, was behind the signing of the collective agreement between the shipowners and the longshoremen. The hon. member for Verdun is reported as saying that arbitration was most advisable under the circumstances.

Last night, Mr. Speaker—whether the hon. member for St. Boniface likes it or not—the Prime Minister (Mr. Trudeau), who is on a tour in Labrador City, made some very interesting statements. An article in today's issue of *Montréal-Matin* reads as follows:

—Mr. Trudeau replied that it would be a very good idea indeed, and that arbitration should be extended to all activities, "because, he said, strike is a last resort, somewhat similar to war. Eventually, everybody loses by it."

Then, Mr. Speaker, the Prime Minister himself is in favour of arbitration to settle disputes of that kind.

This morning also, during an interview on a Quebec radio network, the Quebec Minister of Labour accused the federal government of failing to do anything in this dispute between ship-owners and longshoremen. Mr. Cournoyer, Minister of Labour in Mr. Bourassa's Liberal government said that if the federal government was not going to do anything about it, the provincial Minister of Labour will have to intervene even if that dispute does not come directly under the jurisdiction of the provincial government. Mr. Cournoyer blamed the incapacity, the "wait and see" policy and the inaction of the federal Minister of Labour, because he is concerned just as we are about the disastrous effects of any extension of such a strike on the general economic activity in the province of Quebec. He also said that if the federal Minister of Labour did not settle the conflict, he would have to interfere himself.

Therefore, Mr. Speaker, whenever such a situation develops, the matter is serious enough, I believe, for the federal government to get involved in the settling of the dispute. They should get involved because the former Minister of Labour, the hon. member for Verdun, did have his say in the drafting of the collective agreement between the longshoremen and the ship-owners.

Mr. Speaker, the minister answered various questions in this House on that subject. He said among other things that he could not intervene, that the collective agreement provided for arbitration, and that both parties had to comply with regulations. Now in answer to a question directed to him, the minister said that the Maritime Employers' Union was prepared to accept arbitration, but that it had not yet started the procedure to that effect.

• (1210)

On the other hand, it is reported that the longshoremen are also prepared to go to arbitration, but that they do not want to initiate it.

Here is the crux of the matter, Mr. Speaker. The problem is that according to an established procedure, if a dispute arises between the two parties, it must be settled through arbitration, but neither party wants arbitration. Then how should the government or the public get this problem solved?

Now, Mr. Speaker, I have here the collective agreement which was signed on March 29th, 1972. I shall quote now article 1.11:

Should a conflict arise concerning new methods of work, the loading or unloading of ships or any related operation that affects the health or security of the workers, the parties shall meet to solve the dispute, and failing an agreement, it shall be submitted to arbitration according to the procedure set out in other provisions of this agreement.

Now, for the information of the members, I point out that the other provisions are seriously involved in the

problem, as one realizes on reading the introduction to the chapter entitled "Grievance procedure". I quote:

> Any disagreement as to interpretation or application of the present agreement is a grievance as defined within the agreement. Grievances are settled according to the following procedure—
>
> If the grievance committee fails to settle the grievance within the five (5) following working days, the grievance shall be submitted to a sole mediator, chosen in conformity with the present agreement. The mediator shall render his decision within the seven (7) following working days, or within a longer period agreed upon by the parties.

Paragraph (d) deals with requests for arbitration, which I consider to be interesting because this is where we find the provisions actually related to the conflict. I quote that paragraph:

> The request for arbitration can be filed either by the Union or by the Maritime Employers Association. The party making the request for arbitration shall make a written outline of the conflict submitted for arbitration and send copy thereof to the other party.

In the present dispute, neither of the parties has filed an application for arbitration with the other party. Each side stands by its position. The collective agreement also provides for who can act as an arbitrator in case of a dispute.

Paragraph (d) in the same section reads as follows:

> The single arbitrator shall be selected from the following list: 1. The honourable Chief Justice A. B. Gold; 2. Hon. Justice Elphège Marier; 3. Hon. Justice Jacques Vadboncoeur, and 4. Mr. Raymond Leboeuf, barrister.
>
> It is agreed that the arbitrator designated by the parties on any occasion shall be available Mondays to Fridays—

These are matters of detail, but what is important is the provision in paragraph (f) of section 5, which reads as follows:

> In case the arbitrators referred to in the above paragraph should be unable to act, the arbitrator shall be chosen by the parties or, in the absence of an agreement, by the federal Minister of Labour.

In fact, we can read clearly here that the Minister of Labour and the federal government are involved in the grievance procedure concerning a dispute such as this one which now opposes the longshoremen of St. Lawrence ports and the shippers.

If the contracting parties cannot agree on the choice of an arbitrator—I understand that the arbitrator is involved—it is stated that the federal government, through the Minister of Labour, must intervene to designate him.

Now Mr. Speaker, since we are faced with two entirely antagonistic parties which have never expressed the wish to meet, in my opinion, it goes without saying that the federal Minister of Labour, according to the spirit and letter of that clause, could and should intervene in case of disagreement.

Mr. Speaker, I do not at all understand why each time that some conflict has risen with serious consequences for Quebec, especially for the Montreal area as well as for the entire Canadian economy, the minister has fallen into the nasty way of taking refuge by saying: The minister cannot interfere, the parties must get together and come to an agreement. We cannot interfere.

Unless this negative attitude is reversed, I wonder, Mr. Speaker, how long it will take before a solution is found to this problem.

In my view, the former Minister of Labour, when he spoke to the House in 1966 regarding harbour difficulties involving the same parties was not saying the same thing. It would certainly be most interesting to read some statements that the hon. member for Verdun made on June 7, 1966, as the then Parliamentary Secretary to the Minister of Labour concerning the conflict existing at the port of Montreal. The hon. member for Verdun was then answering the liberal member for Trois-Rivières, the late Mr. J.-A. Mongrain, who was asking the federal government to intervene in this conflict. The hon. member for Trois-Rivières, for whom I had a lot of admiration and respect, said when asking the minister to intervene in the dispute at the port of Montreal, and I quote:

> In view of the disastrous circumstances of the present longshoremen's strike, should the minister not take drastic and extraordinary steps so that the activity will be resumed while negotiations are under way?

The hon. member for Trois-Rivières was making these comments in the House on account of that strike.

And the Parliamentary Secretary to the Minister of Labour, the hon. member for Verdun, now Minister of Manpower and Immigration, who was also at one time Minister of Labour and who had drafted the collective agreement, replied to the hon. member for Trois-Rivières as follows:

> I noted . . . the very intelligent remarks of the hon. member for Three Rivers—

He had just talked about compulsory arbitration—And further the hon. member for Verdun said:

> At the same time I realize, as do I am sure most members of the house, that some extraordinary measures will eventually have to be taken if this longshoremen's strike is to be brought to a satisfactory conclusion.

Those were the remarks made by the then Parliamentary Secretary to the Minister of Labour, who became later Minister of Labour and who is now Minister of Manpower and Immigration. He said in the House that extraordinary measures would have to be taken to find a solution to the longshoremen's dispute.

The situation that prevails at this time, Mr. Speaker, is almost identical to the one existing then, except that it is more urgent now, since this dispute is in its fifth week and there is no end in sight. It will soon enter in its sixth week.

Mr. Speaker, the economic implications of this strike, the effects of this deadlock on the future of the Quebec ports are obviously disastrous. One could talk of immediate and long term implications of the situation on the economy at all levels: national and local, on the future life of the St. Lawrence ports, on the families of employees who are suffering from this strike.

• (1220)

It is well known that harbour activities on the St. Lawrence River are the most important industry in Quebec. The port of Montreal, being the largest in the system, is more directly and strongly affected.

Moreover, this conflict has arisen in the most active part of the season, that is the months of May, June and July. Under normal circumstances, the port of Montreal can count on the presence to at least 125 to 150 ships at this time of the year. There were merely 7 of them a few days ago.

A good number of ships have returned to their port of departure or were rerouted. Some of them have been able to drop anchor in the ports of Toronto, Halifax and St. John's. But these harbours having limited facilities, many ships have set sail toward American ports. Montreal will have lost to date some 525,000 tons of cargo including 225,000 of general merchandise which is the main source of direct tax income for the federal government.

Some importers have advised their suppliers to refrain from shipping cargo via Montreal.

Some important shipowners such as McLean Kennedy Limited and Furness Withy & Co. Ltd., have already moved their harbour facilities from Montreal to Halifax.

Will shippers who, in spite of the last dockers' strike had once again relied on the St. Lawrence harbours, sever their ties with Montreal, Trois-Rivières and Quebec? Some business circles fear this possibility.

Mr. Speaker, if we were seeking to permanently destroy the harbour system which is still vital for the maintenance of Quebec's economic prosperity, we would not act differently.

It would be right to seriously ask oneself this question in the face of a situation that was literally and wilfully left to deteriorate.

The slightest permanent decrease in harbour activities at Montreal, Trois-Rivières or Quebec that this conflict might entail, would cause not only serious gaps in the local economy but would also be a grave threat to the jobs of thousands of workers directly or indirectly linked with harbour services.

The laissez-faire or wait-and-see policy of the government, and particularly the Minister of Labour, demonstrates such unawareness of the disastrous consequences of this situation that we must denounce it most vigorously.

The predecessor of the present Minister of Labour, the hon. member for Verdun, would certainly not have taken this matter so lightly, had he still been in office. It is unfortunate that the considerable efforts made by the hon. member for Verdun at the time when he was Minister of Labour in order to achieve the signing of the collective agreement last March have failed to ensure the promised stability.

This conflict will have a serious impact on the national economy, as the government will be deprived of the substantial revenues derived from operations in Quebec harbours.

In fact, in 1970 and 1971, the government received over $329 million yearly in direct revenues under the customs and excise acts.

Harbour operations are therefore an extremely important economic generator which the minister cannot afford to ignore, especially in the difficult times which we are going through in Canada, and particularly in Quebec, at present.

It is estimated that every ton of goods handled in harbours represents an economic generation factor of between $12 and $14 per capita.

Over the last five years, operations in Quebec harbours have provided the government with revenues of $3.5 billion.

Now, it is clearly urgent for the government to take the necessary steps in order to resolve this conflict, not only because of its serious impact on the Canadian economy and the future of the St. Lawrence harbours, but above all because of the human problems which afflict the employees concerned and their families.

I said in my opening remarks that I represent a constituency which is particularly affected by this strike. I had occasion to meet with longshoremen who told me of their concern over the situation, which does not seem about to be settled.

They made me understand the difficulties their families had to face as a result of the strike, for we all know that with this conflict, the families of longshoremen on strike cannot count on social welfare—since they cannot get it under the provincial law—nor on unemployment insurance benefits, since the unemployment insurance act has no provision concerning these conditions. They are not entitled to any other relief funds, which means that the affectef families are most depressed and they can only expect to get assistance from a few benevolent societies, like the *Société Saint-Vincent-de-Paul* and other organizations of this kind.

The Acting Speaker (Mr. Laniel): Order. I regret to have to interrupt the hon. member, but his time has expired, while making allowance for the interruptions that took place at the outset of his speech.

Mr. Valade: Mr. Speaker, could I be allowed to conclude my remarks, with the consent of the House?

The Acting Speaker (Mr. Laniel): The hon. member knows that he can only do it with the unanimous consent of the House. Is there unanimous consent to allow the hon. member to carry on his speech?

Mr. Caouette: No.

The Acting Speaker (Mr. Laniel): Apparently, there is no unanimous consent. The Chair will therefore recognize the hon. member for Winnipeg North Centre (Mr. Knowles).

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

The Acting Speaker (Mr. Laniel): The hon. member for Sainte-Marie rises on a question of privilege.

Mr. Valade: Mr. Speaker, I wonder if the hon. member for Témiscamingue would not agree that I be given a few minutes more, in view of the numerous interruptions during my speech. I have only a few—

The Acting Speaker (Mr. Laniel): Order. The hon. member knows the rules. When unanimous consent is

sought, under the rules, there can be no discussion on that question of unanimity.

I might put the question once again. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Caouette: Mr. Speaker, on a point of order.

The Acting Speaker (Mr. Laniel): The hon. member for Témiscamingue on a point of order.

Mr. Caouette: Mr. Speaker, recently we were not allowed to continue our speeches. Today, I object to the hon. member being entitled to conclude his own.

Mr. Valade: Mr. Speaker, I will say to the hon. member—

The Acting Speaker (Mr. Laniel): Order. I would ask the hon. member to resume his seat.

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

The Acting Speaker (Mr. Laniel): The hon. member for Sainte-Marie on a question of privilege.

Mr. Valade: Mr. Speaker, I think that we are creating a precedent. It has always been agreed that when the spokesman of a political party in the House initiated a debate by introducing a motion—

The Acting Speaker (Mr. Laniel): Order.

Mr. Valade: Mr. Speaker, I am explaining my question of privilege and I suggest that you should allow me to complete my remarks.

The Acting Speaker (Mr. Laniel): Order. I must point out to the hon. member that the Standing Orders, as we all know, clearly specify the length of speeches. When a minister introduces a motion concerning a bill, the Standing Orders provide that the minister may be entitled to an unlimited time period, but in this instance, since this is a motion from the opposition, a time limit for speeches must be set. The House even places upon itself sometimes restrictions which are even stricter.

So, there is no way by which we may discuss this practice established for the past few years, and I must recognize the hon. member for Winnipeg North Centre.

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

I wanted to conclude by making concrete proposals in order to settle this conflict. Since I cannot make them in this House, I shall do so in front of newspapermen, and I shall say that the leader of the Social Credit Party who often speaks of democracy, objects to my—

The Acting Speaker (Mr. Laniel): Order. I invite the hon. member to resume his seat. The hon. member knows as well as I do that the point he is raising is in no way connected with the question of privilege. A few minutes ago, he blamed other hon. members for preventing him to speak. I think that at this moment, he must realize that the Chair must recognize the hon. member for Winnipeg North Centre.

[The Acting Speaker (Mr. Laniel).]

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the tie-up on the waterfront at Montreal, Trois-Rivieres and Quebec City is, indeed, a very serious matter and we earnestly hope that it will soon be settled. I remain to be convinced, however, whether the kind of speeches that may be made in this chamber today, such as the one we have just heard, will expedite that settlement. I hope that some good will come out of this debate, but that remains to be seen.

When I read the terms of the motion put down by the hon. member for Sainte-Marie (Mr. Valade) I wondered what he meant by the concluding words which call for the government "to intervene forthwith to end the strike".

Mr. Valade: That is what I wanted to say in my conclusion.

Mr. Knowles (Winnipeg North Centre): The hon. member had 30 minutes. In fact, he had 35 or 36 minutes. I listened carefully to his entire speech. I regret to say that it was necessary for me to listen to the translation of his speech, but at least that had the effect of forcing me to give it my full attention so as not to miss anything. He said several times that his motion was explicit. He said several times that his motion was very clear. Toward the end of his speech he called on the government to take measures to resolve the conflict. But at no time did he tell the House what he meant.

Mr. Valade: I have it all here before me and I wanted to put it before the House.

Mr. Knowles (Winnipeg North Centre): At no time did he tell us what he meant by government intervention, and I do not think that what he has in his hand will do that, either.

Mr. Prud'homme: He has a secret weapon.

Mr. Knowles (Winnipeg North Centre): What the hon. member says in his motion is that the government should intervene forthwith to end the strike. I must say that if he has in mind steps to put this matter before the courts, then we would disagree. If he has in mind some sort of strike breaking action—though it is a little difficult to use that phrase because it is not a strike, it is a lock-out—again we would disagree. I see the Minister of Labour (Mr. O'Connell) disagrees with what I am saying about the dispute being a lockout, but there we are. If the hon. member has in mind calling upon the government to bring in legislation to put these employees back to work, the employees who may not be employees because they have been suspended, we do not agree with that either.

• (1230)

I know there is a great deal of current feeling about strikes, about unions and about workers, and I understand it, particularly when it affects the public generally.

But let us not forget that the sanctity of the law and the sacredness of rights must include protecting the law at all times and protecting those rights which have been established in a society such as ours. The right of employers and employees to disagree and to carry that disagreement to the point of a stoppage of work is one of the factors of our society. We have had to live with this for a long time. Someone may come up with a better way and he will be a great hero when he does. In the meantime, we do not aid the cause of amity or industrial peace in our society simply by putting the blame on trade unions, on workers and on strikers. Neither do we solve the problem by making generalized speeches for 30 minutes calling upon the government to intervene and end it without saying what the government should do.

I intend to be very brief. One or more of my colleagues may speak later in the day and, if they do, they, too, will be brief. There is the suggestion that has come from the National Farmers Union that if there is no solution for some time to this matter the government might consider taking over the operations, putting them under an administrator or something until an agreement can be reached. That point will be put forward later, but we contend that even that should not be proposed until a serious effort has been made by the Minister of Labour along the lines he is already following.

If we have a quarrel with the Minister of Labour, and I speak for my leader who happens to be away today, and for the rest of us in this party, it is not with the nature of what he is doing, it is with the degree and the vigour of it. He said the other day in response to the Leader of the Opposition (Mr. Stanfield) that he was doing his best to get the two parties to have regard for their obligations to each other. Then, he used this sentence:

> That kind of intervention I have indeed pursued vigorously.

He looks at me and seems to be asking if I want him to be more vigorous. That is right. Later on that same day, Wednesday, June 14, we find another response to the hon. member for York South (Mr. Lewis). The sentence I have read was from page 3124 of *Hansard*. Looking over at page 3125, I find this response at the end of a series of questions:

> I would point out that the two parties themselves appointed the arbitrators and that four arbitrators are named in the agreement. The initiative falls on one or the other of the two parties. They each have the obligation.

I agree with the minister's statement as a description of the situation as it obtains legally, but the public interest is involved in all of this and it is the job of the Minister of Labour to represent that public interest. Our suggestion, our plea and our urging to him is that he regard what he has called vigorous in the past as not vigorous enough, and that he make every effort he possibly can to get the two parties together in a place they choose, or let him choose the place, and stay with the two parties hour upon hour, day upon day, night upon night if necessary until they either reach an agreement or until they agree to send the matter to arbitration. Our suggestion is as simple as that. We are not asking for legislation. In fact, we do not want it. We are not asking for police action and we are not asking for the matter to be taken to the courts. We are trying to avoid the mistake I think the last member made in calling for something to be done and not saying what he meant.

I almost have to say that in a sense I like the stance of the Minister of Labour in respecting the law and the rights of both sides. We appreciate the fact that he appreciates the rights of the workers and I cannot quarrel with his respecting the rights of the employers as well. That is the way it has to be. Unfortunately for him, as a new Minister of Labour trying to find his way in this important area, he has this problem on his hands and we think there is no other reasonable and decent solution to it but the one we are suggesting, namely that he do everything he can, and that does not mean legal action or throwing his weight around as a minister of the government who would have the power to bring in legislation, but rather as the Minister of Labour, to get these people together in an appropriate room in an appropriate place somewhere and say: Boys, we are staying here until this matter is settled. Let the government pay the cost of the room and provide the meals when keeping them there until, for their own sake, for the sake of the families of those involved and for the sake of the economy of the country, this matter is settled.

I say again, Sir, we are not asking the minister to adopt in nature something he is not now doing. He has talked to both sides, but we are asking him to carry this to its ultimate conclusion by actually getting both parties together and keeping them there until they, under his guidance and direction, settle this dispute for the good of Canada.

• (1240)

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I am sorry that earlier I objected to the hon. member for Sainte-Marie (Mr. Valade), who is the mover, continuing his remarks because allegedly he wanted to submit solutions. He had exactly 40 minutes, I believe, to submit them, and he did not put them to good use. It was not my intention to prevent him from submitting solutions, but to prevent him from taking up the time of other hon. members.

Mr. Speaker, I rather endorse the views expressed by the hon. member for Winnipeg-North-Centre (Mr. Knowles) to the effect that the minister should meet the two parties involved, because public interest is at stake and settlement does not concern merely shipowners and longshoremen, but a a great many people involved in trucking, business, etc. Moreover, there are people who have been expecting goods from Japan and other countries for nearly a month and a half and cannot get them.

So, in the interest of the community and the people as a whole, the minister must give orders, meet the leaders of the International Longshoremen's Association and the representatives of management and bring them together around a table to discuss the problem.

Not only the strike is at issue. I can understand the situation on both sides. Wednesday morning, I was in Montreal, speaking on Mr. Jarraud's program on CKVL and a longshoreman called me. He was almost crying while describing the terrible situation in which the longshoremen find themselves at present and he told me that

this whole dispute could have been avoided from the beginning in less than 24 hours if only the parties had been willing to meet.

But nobody would give in. The union leader, Mr. Saint-Onge, refuses to meet the employers, saying that they have bent the provisions of the collective agreement stipulating that the computers will be used as of September and not May. Now, the use of the computers started as early as may, which did not please Mr. Saint-Onge.

However, that his was not the only thing that started the dispute. Before this long one, there was a one-day dispute and that was not provided for in the collective agreement. It was decided to strike on that day to support the famous Quebec Common Front of labour unions, but Mr. Saint-Onge does not talk about that. True, the collective agreement contains provisions for the use of computers as early as September, but their use, since May, has not prejudiced those who were working in the ports of Montreal, Trois-Rivières and Quebec City.

Therefore, Mr. Speaker, one must be honest and straightforward, and call a spade a spade. There are lots of problems, and not only on the ship-owners' side, but also on the longshoremen's side.

I was even told by a docker that some workers steal boats, motorcycles, radios and television sets. The insurance companies have to refund the price of the goods stolen in the ports along the St. Lawrence river.

That is not provided or in the collective agreement; yet, such is the practice. The union leaders do not mention that. Mr. Saint-Onge did not refer to it. However, he is always criticizing the employer, the ship-owner, and so on.

Not long ago, a $2 million loan was suggested with a view to replenishing the strike fund of the Montreal dockers. As for me, I say to fellows like Saint-Onge et al. Why not be honest about it? Instead of borrowing $2 million to replenish the strike fund and telling the longshoremen that they will continue to get $20 or $25 a week even if they do not work, why not buy ships and become shipowners and treat the workers as they would like to be treated? But no. They borrow to go on strike. They do not have the courage to borrow to build something.

Mr. Speaker, the problem is difficult but still a solution is possible. Arbitration is necessary at this point. One of the shipowners is willing to go to arbitration, but the union leaders will not hear of it.

That is why, in the name of the common good, of the public interest, the Minister of Labour (Mr. O'Connell) should intervene. Even then, the shipowners should not be kept from going to court to establish who is right or wrong in this case, and arrive at a judgment or decision that would let us know where we are going.

This morning, the radio announced that the Quebec Minister of Labour had bluntly stated this: If Ottawa does not get a move on, Quebec will.

And because this matter comes under federal jurisdiction, the Minister of Labour told us yesterday that he could do nothing more, that all they have to do is negotiate or request an arbitrator, The minister will not assume his responsibility in this respect.

[Mr. Caouette.]

This morning, his Quebec counterpart stated: This is none of my business but since the federal government will not take any action, I shall do so in its place. And he offered his services.

This is why I claim that it is the minister's imperative duty to obtain that both parties come to the bargaining table or accept arbitration, in order to end this disastrous strike, because neither the union leaders nor the employers will provide for the wives and children of the Montreal longshoremen. At the present time, there is undeserved misery in Montreal, and everybody complains about it, including the mothers.

A trucker called to tell me: We might lose our trucks since we cannot meet our payments because the strike prevents us from working. A whole group of people is in the same situation and mainly small businessmen who fear bankruptcy because of this disastrous strike.

And Wednesday morning after I was interviewed on television, someone asked me: What is the federal government waiting for to do something and reach a decision? All the Montreal longshoremen are waiting for this.

Let nobody think that all longshoremen approve their union leaders' statements. Last Monday morning, it was a shame to see the longshoremen gathered at the Paul Sauvé centre in Montreal willing to go back to work, while another group insisted on picketing. And labourers working on the same sites were fighting like cats and dogs and tried to break each others legs. Why? For the common good? No. They do not even know why. They fight each other when they need to cooperate in order to obtain justice for everyone.

Unfortunately, many union leaders disagree on this point. Since some employers have also been unfair to the workers, this proves that both parties are to blame, but it is not by keeping them apart that we will get satisfactory results.

• (1250)

That is why it is imperative for the minister to take action and not to allow himself to be outdone by his Quebec counterpart. It would be funny if we heard tonight that the Quebec Minister of Labour (Mr. Cournoyer) had a meeting with the shipowners and labour leaders this afternoon and that it had been decided to put an end to the dispute. The responsible federal minister would look a little foolish, and I will be watching him on Monday to see if that has happened. In the meantime, however, I would ask whether it would be possible for him to see these people over the weekend and arrange for a meeting.

As far as the computer quarrel is concerned, I cannot accept that is very logical. Perhaps some conditions of the collective agreement have not been observed because of the use of computers in May to decide whether the services of 8 men instead of 10 or 16 would be needed according to the ship's tonnage.

Whether computers are used in May or September is of no serious consequences. However, under the terms of the collective agreement, they are to be used in September. This is a case where the shipowners have not observed their part of the agreement.

On the other hand, employees have been told: You will not be replaced until September. In this case, the labour leaders have no reasons to get excited because nobody is losing his job.

Mr. Speaker, this is the serious situation in which the longshoremen find themselves and which is affecting the economy of the entire province as well as that of the rest of Canada.

I repeat that I am in favour of unions, but the Montreal maritime unions are members of an international association. How can there be talk of union solidarity when ships are being turned away from Montreal so that they will be unloaded along the American seaboard by members of the same association? Talk about solidarity!

Mr. Speaker, the longshoremen in the province of Quebec, along the St. Lawrence river, understand the situation and are eager to see this dispute come to an end. If some union leaders and ship-owners do not see it that way, the minister has the responsibility of saying: Come and negotiate immediately so that we may end this dispute, have the longshoremen return to work and restore some order in this very important field of economic activities for the benefit of our whole country and in particular for the benefit of the province of Quebec.

Here are the remarks, Mr. Speaker, that I wanted to make today; there is only one solution, in my opinion, under the circumstances: the minister must take action.

The minister recently replied to my colleague the hon. member for Shefford (Mr. Rondeau) that he had prevented the ship-owners from prosecuting the union because there were other ways to settle the dispute. Now six weeks have elapsed and the other means have not produced results because nothing has been done so far, whereas an injunction or proceedings might have solved the problem by now.

So I should like to know today what means, what solutions the government has in mind or intends to bring forward to settle that labour dispute that has already lasted six weeks and should not have happened.

[*English*]

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, I have listened very carefully and with a great deal of interest, particularly to the remarks of the Leader of the Social Credit party. I found the tone in which he made his remarks very reasonable and helpful indeed. As to the few proposals which he put forward toward the end of his remarks—that is another question. I also appreciated very much the approach taken by the hon. member for Winnipeg North Centre (Mr. Knowles). I want to reject completely and at once the charge of indifference, the charge of laissez faire, levied by the hon. member for Sainte-Marie (Mr. Valade) who introduced this resolution. It is a complete misrepresentation of the activities in which I and the departmental officials have been engaged. I want to say also that I have had the benefit of continuous consultations with my colleagues who represent Montreal and who sit on this side of the House. I have had representations from them. I know their concern, which I share, about the tragic situation which is now afflicting that port.

I should say at the opening of my remarks that I am now, and always have been, ready to meet the parties to this dispute at any time that it would appear useful and in the public interest to do so, but I will not undertake to take steps that would be useless in the situation, that indeed would be counter-productive. I will not take steps, which some have suggested, that would in fact work against the long term interests of the port of Montreal. This is a crucial time in the labour management relations in the port of Montreal. Some two months ago the parties came to an agreement. That was one of the best agreements, certainly in North America, to regulate the relations between employers and employees in any dock system in North America. It is very important, therefore—and I know all members of the House will agree—that the steps the parties take, particularly the steps which the Minister of Labour takes at this time, confirm and support that agreement and do not in fact undermine the long term interests of the port of Montreal.

Mr. Speaker, I will have more to say about the resolution put forward by the hon. member for Sainte-Marie, but at this point I would like to look at the port situation as it has developed over the past ten years to try to get a better picture in front of the members of this House of the perspective we should take in looking at this particular dispute. I see it is virtually one o'clock, Mr. Speaker, and perhaps before I enter into that part of my remarks I might call it one o'clock.

Mr. Speaker: Shall we call it one o'clock?

Some hon. Members: Agreed.

Mr. Speaker: I do now leave the chair. The House will resume its work at two o'clock.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. O'Connell: Mr. Speaker, labour-management relations at the port of Montreal have been a source of trouble since the early 1960's. They have been the subject of special industrial inquiries and, in 1966, of special legislation. Under my predecessor, working conditions at the port of Montreal were substantially improved. An important collective agreement was reached in 1968 with great difficulty. This was followed by continuous efforts to improve the climate of labour-management relations on the docks.

Ports throughout Europe were visited by representatives of both parties, assisted by the federal Department of Labour. Some eight months of constant and intensive mediation, led by two senior officers of my department, culminated in the collective agreement reached in April, 1972, just a few short months ago, an agreement ratified by an overwhelming majority of the union membership. Mr. Speaker, this is not an ordinary collective agreement. Its provisions promise to set labour-management relations on the docks at Montreal on an entirely new course. They

promise to set the port of Montreal in the forefront of world ports. This agreement coped with the impact on dock workers of the rapid technological changes which have come about at docks all over the world in the methods of working ships, in loading and unloading, in the use of mechanized equipment.

This agreement provided very significant inprovements in pension benefits. It coped with job security of longshoremen with a guarantee of 37 weeks of pay per annum, and it provided for the new and essential levels of productivity required by the employers to pay the enhanced benefits to the workers and to attract and hold business in the port of Montreal. Increased productivity levels required the break up of established work gang systems, and the introduction of new methods of work assignment related to the introduction of a computer. Productivity by the men was the exchange for the job security and the pension and wage benefits. That was a breakthrough in industrial relations at this port.

Throughout the period from 1962 to 1972, eight major work stoppages and five lesser strikes occurred on the Montreal docks, involving in the major instances between 2,000 and 4,000 workers and lasting from one day to well over a month. Why and how did the present dispute arise, and what is the basic nature of the present dispute? The basic issue which precipitated this particular dispute—and I want to stress that it is a dispute which is part of a series which have disrupted the Montreal docks over the past decade—was whether or not management, under the new agreement, at this time had the right to break up longshore gangs prior to the introduction of the computer dispatch system to be inaugurated by mid-September.

Management took the initiative of breaking up a gang working a hatch and ordered some members of the gang to work in a shed. The International Longshoremen's Union contends that management does not have this right until the introduction of the computer dispatch system. While this is the basic issue, other issues have subsequently arisen. The suspension of longshoremen by the Maritime Employers' Association and the question of the collective agreement are examples of additional issues. However, in a nutshell, these are the basic issues in dispute and, without going into all their complexities, I may say that additional issues have become involved in disputes of this nature.

• (1410)

It is not my intention, Mr. Speaker, to comment on the position of the parties or to enter into any debate on the merit of the position of either party, as this involves interpretation of the collective agreement. I have repeatedly said that there is a provision in the collective agreement, as the law requires, for either or both of the parties to put this question of interpretation into arbitration, that is, to arbitrate it.

May I pause at this point and respond to some of the remarks hon. members have made in interpreting this matter. It has been said that I have condoned the decision taken by the Lonshoremen's Union. I did not condone that decision; I did not endorse it. The longshoremen had a remedy, which was to go to arbitration. The law gave the longshoremen no right to engage in an illegal work stoppage. I do not agree with those who say this is a lockout. Those questions are not the important ones that we must settle in this House. The root questions we are concerned with are the remedies provided by law and the use that must be made of those remedies if we are to sustain the collective bargaining system in Canada rather than undermine it by rescuing those who will not adhere to their obligations.

The procedures, Mr. Speaker, are crystal clear and there are no questions concerning procedures to be followed in this particular instance. They are clear in the Canada Labour Code and clearly set out in the collective agreement that was signed by both parties one year ago. Section 125(1) of the Canada Labour Code provides:

> Every collective agreement shall contain a provision for final settlement without stoppage of work, by arbitration or otherwise, of all differences between the parties to or persons bound by the agreement or on whose behalf it was entered into, concerning its meaning or violation.

Subsection (3) of that section provides:

> Every party to and every person bound by the agreement, and every person on whose behalf the agreement was entered into, shall comply with the provision for final settlement contained in the agreement and give effect thereto.

Let us turn for a moment to the collective agreement affecting those who, over a period of time, have brought the Port of Montreal into the forefront of the world's ports. What did the parties agree to? They agreed that they would take their grievances over interpretation of their agreement and their disagreements over the interpretation of those provisions to arbitrators whom they had the foresight to name in the agreement. Four arbitrators stand by ready to respond to the application of either party for the arbitration of differences. Paragraph (d) of article (5) of the collective agreement sets out the situation where the union or the employer wishes to submit a matter to arbitration. It provides that either party may initiate a request for arbitration. The parties requesting the arbitrator must set out in writing the matter submitted to the arbitrator and send a copy of it to the other party. Paragraph (h) of that article in the agreement provides that the arbitrator's decision shall be final and binding. Paragraph (i) provides that the men are to return to work pending completion of arbitration procedures.

Perhaps I ought to pause here. Let us ask ourselves, what is the value of an arbitration procedure? What role does it play in collective bargaining in Canada? It plays a unique role, an extremely important role, in Canada; and here the situation with respect to collective bargaining is unique. Once an agreement is concluded and the contract is signed, that agreement is closed, if I may use the expression which is current, and it cannot be broken by strikes or lockouts.

Mr. Rock: But if it is, what do you do?

Mr. O'Connell: Work stoppages during the period of a closed agreement are not legal. Once you close an agreement in fashion in Canada, a work stoppage is not legal. There are no parallel agreements which are closed in other countries. The agreements are not the same in the United States, where lockouts and strikes may occur. Of course, during the closed period of an agreement, most frequently the parties concerned waive rights to strike or

lockout voluntarily, but in Canada this is the law. Once an agreement is signed and sealed, it is closed.

How is relief provided with respect to disagreements, if one is to make strikes and lockouts illegal for a two or three year period. There must be provision for some relief, because grievances will arise and differences in interpretation will arise. It is the role of the arbitrator to provide relief and the parties agree that, in exchange for stability during that period of the closed contract, they will arbitrate their differences. The statute requires that they do that. If any collective agreement does not include within it any provision for arbitration, the Canada Labour Relations Board may prescribe an arbitration proceeding and this will be deemed to be part of that agreement. So, we can see in Canada how extremely significant is that arbitration proceeding. It is there to ventilate grievances and to settle differences during this closed period and is a concept which both labour and management in Canada have accepted and supported for 30 years. It would be an extreme step if anyone were to attempt to undermine the arbitration procedure, and to set it aside, if the parties will not willingly make use of it but wish to use another proceeding. That would be a precedent which would strike at the very root of the system of free, collective bargaining, as practised in Canada.

I repeat, these arbitration procedures are crystal clear. There is no question about them. The arbitrators are named, the obligations are there and I and my officials have repeatedly instructed the parties to follow those procedures. As I understand it, the hon. member for Sainte-Marie (Mr. Valade) intended to propose to the House—I regret that his time ran out before he had an opportunity to make his suggestion—that the Canada Labour Code should be amended so that the minister may impose arbitration on parties unwilling to obey laws already existing.

Mr. Valade: On a point of order, Mr. Speaker—

Mr. O'Connell: I think he is saying that under the present provisions of the labour code there is no authority to seek arbitration—

Mr. Valade: On a point of order, Mr. Speaker, I do not know how the minister can be allowed to presume what suggestions I may have put forward, because the House refused to give me the opportunity to put them forward. Unless I am given the opportunity to bring those suggestions forward in a clearcut fashion, I do not think the minister should be allowed to comment on what he thinks I would have suggested.

[*Translation*]

The Acting Speaker (Mr. Laniel): The hon. member had the opportunity to deliver his own speech. Therefore he should let the minister complete his remarks.

[*English*]

Mr. Valade: Mr. Speaker, I object categorically, and I am rising on a question of privilege. I do not think the Chair ought to make that type of ruling—

The Acting Speaker (Mr. Laniel): Order, please.

[*Translation*]

Order. I must nevertheless draw the hon. member's attention to the fact that even questions of privilege raised in this House are governed by Standing Orders and it is the duty of the Chair to see that hon. members do not raise questions of privilege that are unfounded.

In short, the hon. minister has the floor and I thought that the hon. member was rising to clarify a point, but since it was not the case, I was bound to make this comment.

Mr. Valade: On a point of order, Mr. Speaker.

I believe that Your Honour has not fully understood the meaning of my interjection. The minister alleges that I have made some statements while actually I was denied the right to proceed with my speech and offer some suggestions that could lead to a solution of the conflict. The minister stated that I had suggested such and such a way of solving the conflict, while I was denied this right and I think that he is not entitled to interpret, as he sees fit, the statements I would have made.

Mr. Béchard: You made them in your speech.

Mr. Valade: This is not true; you prevented me from doing it.

• (1420)

[*English*]

Mr. O'Connell: Mr. Speaker, I have underlined the extreme importance to the system of collective bargaining in Canada of the arbitration provisions. Are there alternatives? It has been suggested that mediation should take place. There is a place for mediation in collective bargaining. Its proper place is in the open period when the parties are negotiating.

In this particular case, I have already referred to the intensive effort over many months to bring these parties together to improve the climate of their relationships. But to mediate a grievance dispute is an entirely different matter. Mediation normally takes place over interest disputes; conditions of work, questions of pay, holidays and technological change. These are matters of interest to the parties, but once the agreement is signed and a grievance arises they are not mediated by a mediator. The grievance dispute is settled by an arbitration procedure which is binding on both parties and fundamental to keeping the contract closed. If we set aside mediation, we are in effect opening the agreement and saying, "change it, mediate". We are saying to one party or another to a dispute, if you hang that is tough. If you take illegal action or if you refuse to use the legal proceedings, the arbitration proceedings, then at some point the public interest will be so engaged that you will be taken off the hook. That is the way to underline collective bargaining in Canada.

You can go across this country and you will find that trade unions and management will support the arbitration proceedings and will stand firm against a mediation process that undermines that. It is said by some that mediation is a last resort. A last resort comes when everything else has been tried. The point here is that the proper

procedures have not been tried. It is open to the parties to try them. I ask them to come to their senses and make use of those provisions that are in their own agreements which they only recently and solemnly agreed to honour.

There are other alternatives open to the parties. If the parties wish to mediate that is up to them, but there are hazards to mediation initiated from outside. In the first instance, it must be appreciated that arbitration of such disputes is required by law. In the second instance, mediation is totally dependent upon voluntary participation by the parties concerned and cannot be a substitution for the provisions of the law. To mediate such a dispute, even in the event that the parties agreed to such an approach, would establish a precedent by giving recognition to mediation as a substitute or alternative to the law in such circumstances.

One of the cornerstones of sound industrial relations is the fact that parties to a collective agreement should settle, through the grievance and arbitration procedures of their collective agreement, any disputes which arise as to the meaning of an agreement they freely entered into. A departure from this concept, based in law, through the provision of mediation services by the Department of Labour, is fraught with danger and could lead to difficulties. It would invite both labour and management to avoid the grievance and arbitration procedures where it suited their particular interest of the moment, and would encourage illegal work stoppages. Responsible officers in labour and management who have to cope with day-to-day contract administration would take a very serious view of any initiative by the Minister of Labour which would set a precedent whereby disputes involving interpretation of a collective agreement would be subject to mediation.

Where management and labour are dissatisfied with any particular provision of a collective agreement they have entered into for a set term, there is a remedy under Section 126 of the Canada Labour Code. Subsection 2 reads:

> Nothing in this Section prevents the revision of any provision of a collective agreement other than the provision relating to the term of the collective agreement that under the agreement is subject to revision during the term thereof.

If the two parties do not wish or will not use the arbitration proceedings, it is open to them to change provisions of the agreement if they mutually agree to do so. Another alternative exists. It is not one that I recommend. However, it has been suggested that an industrial inquiry commission be established. Under Section 159 of the Canada Labour Code, the minister may, either upon application or of his own initiative, appoint an industrial inquiry commission to inquire into industrial matters, and such a commission may make recommendations to secure industrial peace and to promote conditions favourable to settlement of disputes.

Such commissions have been appointed in the past, but not in a situation where the dispute involves interpretation of the collective agreement and where a remedy is provided to the parties through the grievance and arbitration procedures in the collective agreement. Commissions take time. The appointment of an industrial inquiry commission does not ensure resumption of work unless the parties agree to resume operations while the industrial inquiry commission hears the dispute. In the current situation involving the Quebec ports, this would require not only an assurance by the union that the employees would return to work, but it would also require the Maritime Employers' Association to lift the suspension placed on the employees. If the parties jointly request the Minister of Labour to appoint an industrial inquiry commission with the assurance that there will be a resumption of operations in the St. Lawrence ports, the minister will give immediate consideration to such a request.

In summary, let me say that the remedies are crystal clear. They are open to the parties. I have expressed willingness at any time to meet with the parties to this dispute, provided that will serve a useful purpose and will not be taken by either party as turning back the clock in order that either of the parties may succeed in disrupting the port and then ask the government to take action. Those who say the government should settle that dispute by certain means, by legislation or mediation or trusteeship are wide of the mark. I set my face against those who would propose those measures at this time.

Some hon. Members: Hear, hear!

Mr. O'Connell: What is at stake? It is not only the serious situation in the Montreal ports, but a much larger question. The only way collective bargaining can be made to work is by the parties living up to their obligations. It is a system for free people. If they use it to turn their private rights into public wrongs, they drive another coffin nail into this system of free collective bargaining.

I again ask those parties to come to their senses. I ask them not to use the institutions of liberty to destroy their own freedom. Those who will not use the system as it is established by law must take the consequences. The government will not be prepared to frequently intervene on an ad hoc basis to serve the convenience of parties when they willfully set aside their obligations in circumstances that are gravely injurious to the public interest in Canada and to the interests of their community. If we are called upon frequently to do this, then the system of collective bargaining has broken down, and that is a very serious matter indeed, and it will not be enough to call government in to rescue missions. What the parties will find if they wilfully decline to work the collective bargaining system is that a more searching look at the possibility of modification of the overall system will have to be made. In conclusion, I therefore once again call the attention of the parties to this dispute to their obligations.

• (1430)

Some hon. Members: Hear, hear!

Mr. Jack Murta (Lisgar): Mr. Speaker, I rise to speak on this motion because it has implications which directly affect all Canada. I shall direct my observations to the manner in which the dispute we are considering will affect the western part of the country. I listened with interest to the minister's speech. It seemed to me, to recall a familiar quotation, that it was full of sound and fury but in the end it signified absolutely nothing. Neither the government nor, in particular, the minister responsible, has had the fortitude to step in to settle this obviously

disastrous strike. In these circumstances, I feel compelled to support the motion before us.

Everyone is asking what is the reason for the government's decision not to intervene. In past years, the previous Minister of Labour, the hon. member for Verdun (Mr. Mackasey) appeared quite adept at settling or promoting a settlement in disputes of this type. Now, in an election year, it seems to me the Liberals are afraid they might antagonize labour in Quebec and lose their already diminishing support. If a dispute of this kind had occurred in the Port of Vancouver, I feel sure the government would have stepped in long ago and the strike would be well on its way to a resolution. Once again it would seem that political considerations are taking precedence over the more important ones, such as our national economy. Now that the strike has been going on for almost six weeks, and since the union has seen fit to ignore several court injunctions, with the result that grain shipments are being tied up and the economy of Montreal is losing $1 million a day, I think the government should realize that things have gone too far. I would like to know why the minister is hesitant to act.

Mr. Speaker, the first and foremost industry affected by this strike is that of grain exporting. In a recent statement, the Chief Commissioner of the Wheat Board said that the board was frustrated and alarmed at the tie-up in grain shipping. He described the situation as calamitous. Although no sales have yet been lost, it is possible that this strike will lose for Canada possible future sales. The approximate loading capacity of the St. Lawrence system is six million bushels a day. Because longshoremen in Baie Comeau, Sorel and Port Cartier have decided to stay on the job, the St. Lawrence is not shut down completely. Thanks to the extra efforts of the longshoremen in these ports we are able to ship three million bushels a day. But this is hardly sufficient.

However, these delays are not only costing vessel owners millions of dollars, they are harming Canada's image abroad. Our overseas customers must be confident that we are able to meet our commitments and that we stick by our agreements. If we acquire a poor reputation in the grain-buying countries, it will surely affect their decision as to whether they should buy grain from us in future. This would apply to any business contract. There is a concept in contract law called frustration which could discharge parties to an agreement if there were events beyond their control which altered the terms or arrangements of the contract. Mr. Speaker, this does not apply here. In fact, the federal government and the minister have every power to control the situation in Montreal and yet they refuse to act.

The astounding thing about the whole affair is that it is revealed that what is primarily a western Canadian industry can be so radically affected by events in the east with which westerners would otherwise have little concern. Because the health of western agriculture is so vitally dependent on foreign sales, it is clear we must devise a transportation system which is free of impediment and which can funnel the product directly to market. Indeed, in a year when foreign sales have been relatively high, and the government has been loudly proclaiming its own success in that regard, it seems a direct contradiction that the government should allow a situation to develop in which it could lose the very sales it says it has worked so hard to gain for us. What is even more disconcerting is that not only could lack of action on the part of the government affect present sales, if action is not soon taken irreparable harm will be done to our ability to find export markets in the future. Inaction by the present government simply does not make sense. In effect, it is an omission which is sabotaging the efforts of the Wheat Board which is just reaching the point of good salesmanship.

This strike has also shown, along with other events, that our transportation system for exporting grain is in need of revamping. About 60 per cent of the grain destined for overseas goes through the St. Lawrence River terminal elevators and about 35 per cent goes through the west coast. This leaves 5 per cent going through the Port of Churchill. This strike has one useful purpose in that it demonstrates to me that we in the west are entirely too dependent on the port facilities of the St. Lawrence for our own good. Of our export grain shipments, 60 per cent are entirely dependent on this system whose terminal is 1500 miles away from western Canada. Now, it is being demonstrated to us with frightening clarity that a strike or some other unforeseeable political event can devastate our western agricultural industry which is so dependent on foreign sales. I think it is time the federal government started spending more money on the Port of Vancouver. It has been pouring money into the Port of Montreal. Also, it is about time that the government realized the potential of Churchill as a prairie port. The fact that it handles only 5 per cent of export grain when its potential is so much greater is conclusive evidence that the government is favouring eastern interests once again. Mr. Speaker, this strike only proves the necessity of alternative port facilities. Otherwise the west is once again going to suffer because of some event 1500 miles away over which it has no control and for which it has no responsibility.

• (1440)

There are many other aspects of the strike of which I should like to remind the minister and which he certainly did not mention in his speech. I hope that while the minister is pondering his inaction, he realizes the devastating effect that the strike is having on the already depressed economies of Montreal and Quebec City. I imagine that we will hear further about this this afternoon from members associated with those areas.

So far over 135 ships and 425,000 tons of cargo have had to be diverted to other ports. This is costing shipping agents upwards of $100,000 a day and the city of Montreal, which indirectly benefits to the tune of some $200 million in the shipping season, is losing millions of dollars. This is not only a blow to the economy of Montreal, it is also a blow to the economy of Canada. With unemployment in Quebec as high as it is, probably hundreds more have had to be laid off because of the indirect effect of this strike. Apparently the port of Montreal is the largest single economic component in the city, with some 10,000 people depending on it directly for their jobs and many others in service industries also affected.

I sometimes wonder at the logic behind these strikes. From my understanding, it is not only an illegal strike, but

the reason for it is that management was going to implement a clause to which the union had already agreed. Nevertheless, the union went on strike and even refused arbitration. I should like to know why this particular union should be immune from the law. I am beginning to think that the Quebec provincial Liberals are even exceeded by the federal Liberals in their inability to deal with strikes. I am beginning to think that this union must be more severely dealth with. Although I am not anti-labour, I do not agree with pampering unions which do not act reasonably or within the law. By his inaction, this is what the minister is doing.

The minister, as mentioned today, should be prepared to meet directly with the parties involved and spend as much time as necessary with them until a settlement is reached. I know what a Conservative government would do in this situation: we would have the courage to enforce the law if need be. I should like to suggest to the Minister of Labour that he look very seriously at some form of binding arbitration. I think the situation is getting serious enough that this course must be looked at in a realistic light and without any political overtones.

I should like to make reference to an article that appeared in the Montreal *Gazette* for June 10 dealing with this strike. It quotes the port manager as having said that the loss of the grain trade is the most important effect of the strike. He said that this was the staple upon which the port depended. It seems that everyone is agreed on the disastrous effects of this strike—the port manager, the business community of Montreal, the Wheat Board, the farmers, the shipping agents and the opposition. I suggest that the Liberals join this group and do something about this strike before irreparable harm is done to potential future grain sales as well as to the port of Montreal itself.

One other point in the article that I should like to comment on is the statement that the Wheat Board officials deny there was any definite plan to circumvent the port. I have come to the conclusion that alternative routes for exporting grain will have to be found, and I will not accept any argument to the contrary. In my view, there is no way that we in the west should tolerate this form of strike, or, for that matter, neither should any other area of Canada. Some 3,200 longshoremen hold the present and future prosperity of western Canada in their hands, in effect, by refusing to come to an agreement. If the port of Montreal is going to be subject to irrational union acts such as this which so drastically affect the future of other innocent regions, then I must say that I am in favour of finding ways of circumventing this port and letting the port pick up its losses from grain in some other way when the strike is over.

I have one final point to make. I think that these illegal strikers and the government should realize that they are doing the port of Montreal a disservice by allowing the strike to continue. It can only harm the port and possibly end in a laying off of the longshoremen. The volume of trade is certainly going to be affected for a long period of time, even after the strike is settled. If this is the case, then all I can say is that these strikers and the government will have brought this upon themselves.

In conclusion, I should like to say that we in the west are sick and tired of unions that ignore all reason and go on strike, tying up the Canadian economy. We are also tired of a government that sits back, does nothing, thus raising many questions about its political conduct.

[Mr. Murta.]

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

The Acting Speaker (Mr. Laniel): Order. The Minister of Industry, Trade and Commerce desires to ask a question.

Mr. Pepin: I just wanted to be sure that the ultimatum that my hon. friend gives the port of Montreal and the union is sent to both coasts, to Vancouver as well. I assume that he wants his message to have national scope and that he does not want to restrict it to the Montreal area. I want to give him a chance of saying so.

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, there is no doubt that the longshoremen's strike in Montreal, which has been underway for nearly six weeks, has caused great harm to the port of Montreal and to the general economy in the Montreal area. As a Montreal Member of Parliament, I have said on several occasions that our port is an essential and basic element to the entire Montreal economy. Montreal has gained its prominence in Canada and throughout the world from its importance as a transportation centre. Montreal is the headquarters of the Canadian Pacific Railway, the Canadian National Railways, Air Canada, many trucking companies, and it has been the site of the most important port in eastern Canada, a port which feeds into all the other modes of transportation. Montreal has been the gateway for the vast bulk of all our commerce passing between Canada and Europe.

The present longshoremen's strike not only threatens the port of Montreal but has the potential to destroy it as well as a large part of the Montreal economy. It seems to be a suicidal or masochistic exercise on the part of those involved. While it is easy to recognize the damaging aspects of the strike, and the anger and frustration of those who need the port of Montreal to carry on their business, it is not so easy to find effective solutions. There are no prototype solutions or magic formulae to settle such strikes.

I discussed this on Tuesday evening when I spoke about this matter during the budget debate. What is required is flexibility and discretion. What will work in one case will not work in another. There was great satisfaction in Montreal several months ago when the longshoremen and the Maritime Employers Association signed their new collective agreement—without a strike, by the way—which was praised on all sides as a significant breakthrough in labour relations for port employees. Many persons were forecasting a renaissance for the port which had suffered from continual labour problems in recent years after experiencing a golden age during the 50's and early 60's.

• (1450)

If I understand correctly, the present dispute has arisen in the following way. The collective agreement stipulated that there were to be no changes in work gangs until the fall when the computer dispatch system was to be introduced. Recently, the Maritime Employers Association introduced certain managerial or administrative changes as permitted by the collective agreement. The longshore-

men submitted that these were changes in the work gang, but management said they were not. Following this change by management the longshoremen walked out. This was surprising behaviour because the collective agreement signed by the ILA and MEA only a few months ago provided that such disputes on the interpretation of the collective agreement were to be settled by arbitration, and that any party so grieved could have recourse to such arbitration.

In this case, however, the longshoremen disagreed with a move made by management, but they have not made any move to follow the arbitration procedures in the contract. The minister has said that both parties have the right to apply for arbitration, and he is right. It would be highly unusual for management to request arbitration on their own actions, that is on a change which they consider to be legal and which they introduced under the collective agreement. Furthermore, the longshoremen have stated they will not go to arbitration and they will not recognize arbitration in this manner. This means that if management went to arbitration on their own, they would not only be appealing their own actions but would be involved in ex parte arbitration, running the risk that the arbitration board might rule against them, while on the other hand, even if they should win they would gain nothing. The longshoremen stated they would not recognize the ruling, consequently can the Maritime Employers Association be blamed for not going to arbitration by themselves? The Maritime Employers Association has said it would be willing to go to arbitration with the longshoremen and that it would recognize the arbitration ruling whether it won or lost.

This is an illegal strike and, with all due respect for the hon. member for Winnipeg South Centre (Mr. Osler), it is not a lockout. I have not heard anybody claim it to be a lockout until this point.

Mr. Osler: Mr. Speaker, I rise on a question of privilege. I am sure this is said in error, that I termed it a lockout or something. I do not recall having said anything about this strike today, yesterday or any day in the immediate past.

Mr. Allmand: I apologize to the hon. member. I was referring to the hon. member for Winnipeg North Centre (Mr. Knowles). I repeat, Mr. Speaker, that this is an illegal strike and we should ask what can be done. In the first instance, the Maritime Employers Association or the government could prosecute the union and union leaders under the provisions of the Canada Labour Code, but it is questionable whether this would be the best means of settling this dispute at this time. This action could be taken under Sections 128, 147 and 152 of the Canada Labour Code, Revised Statutes of Canada 1970. The government could intervene either by putting the port and union under trusteeship, or by imposing compulsory arbitration on its own. This could be done either under the labour code or by special law, and I will discuss this in greater detail.

Section 159 of the Canada Labour Code, which was Section 56 in the former Revised Statutes, reads:

> The Minister may either upon application or of his own initiative, where he deems it expedient, make or cause to be made any inquiries he thinks fit regarding industrial matters—

I am not referring to that part, but it continues:

> —and may do such things as seem calculated to maintain or secure industrial peace and to promote conditions favourable to settlement of disputes.

That section sets out the ways in which this could be done, and suggests certain action that can be taken. The government has intervened in this manner in the past, and also through legislation. It has always reserved the right to do so when the public interest requires it. The manner in which this action is taken, however, is extremely important. If the government announces immediately that it will intervene if a settlement is not reached by a certain deadline, then all pressure is taken off the parties to reach a settlement themselves.

Furthermore, in a case like this, if the government had intervened immediately it would not have helped the long-term interest of collective bargaining or freely arrived at collective agreements. This was pointed out by the minister. What value would there be in negotiating a collective agreement, including an arbitration provision, if one of the parties could disregard its own signed agreement and have the government intervene to impose a settlement or a new type of arbitration? If this became a precedent, collective bargaining would become useless. That having been said, there is a time for the government to intervene, but such an intervention should not be a precedent; nor should it be announced in advance. This type of action must be taken with great discretion and wisdom.

During the last few years we have had two important commissions on labour relations. One was the Woods Commission appointed by the Pearson government in 1968, and the other was the recent Cohen Commission in Newfoundland. The report of the latter commission was tabled recently by the Newfoundland government. Let me refer to some of the things the Woods Commission says about public interest and essential service disputes. The report makes seven observations. It is extremely difficult to say in advance in what industries a strike or lockout should be curtailed. The length of a strike or lockout is a critical factor. There is no one policy that can work with uniform success. Flexibility of approach is essential. The determination that a given stoppage of work should be terminated in the public interest is a political decision. This political element is an inducement to the parties to drive the dispute beyond any procedural device and into the political arena. Circumstances may be expected to arise in the course of the industrial conflict in which the fear of the law will be not so strong it will forestall the breaking of that law.

The Woods Commission recommended a three man public interest disputes commission. It recommended that this commission have two functions; first, to determine special procedures for resolving disputes in industries under federal jurisdiction which are prone to disputes that jeopardize the public interest. These procedures might include non-binding arbitration and voluntary binding arbitration as well as the involvement of the commission itself. In the handling of actual disputes by this commission, in which the public interest is threatened, the government should be able to request from the commission a report recommending procedures to terminate the dispute, including possible seizure, trusteeship, partial

arbitration of a statutory strike or compulsory arbitration. This could be implemented by act of Parliament.

I, personally, feel that when the strike begins to seriously affect the public interest, then the government must intervene. I have come to the conclusion that this should have been done as of yesterday, and I said so publicly at that time. I feel that the government should order that the men be returned to work and that all outstanding issues be referred to arbitration. If it is necessary, this should be done by special legislation. The minister has said he would not want to do anything to undermine the collective agreement or the collective bargaining process. Generally, I would agree with him, but in this case at this time I believe the collective agreement has been undermined, if not completely destroyed.

• (1500)

The minister has stated that there are arbitration provisions in the collective agreement. He once again appealed to both sides to use them. It seems to me the time has come when we cannot leave this question to the private decision of management and labour alone. I must remind the House once again of some of the things I said last Tuesday evening. Labour relations are such today that there is not only a management and labour interest but also a public interest. In many cases a long, serious strike hurts the public interest much more than it does management or labour.

Mr. Thomson: You said that the other day.

Mr. Allmand: Yes. I am repeating it because it is important. I should like to quote some of the things I said on Tuesday evening. As reported in *Hansard* at page 3104, I said:

> The basis of the right to strike, which is that the cost to both union and to management will eventually force both to arrive at a compromise, I submit is no longer valid since, first of all, the cost of many strikes is now borne by the public, particularly in the service industries such as transport, education, garbage removal and so on. Second, in other cases the cost of a strike is carried by suppliers and sellers of a product.

I gave the example of a recent canning strike which ruined many tomato growers while only partially inconveniencing union and management. There was hardly any cost to management and labour but the tomato growers were completely ruined by the strike. I referred to agreements arrived at recently in certain countries where the employees of one airline were on strike. It was agreed that the additional revenue gained by other airlines would, after deduction of costs, be given to the struck airline, or management simply could raise prices.

I conclude by again referring to a quotation. I do so because it is important. I wish to repeat the quotation I gave in the House the other night and to which many people have recently referred. Mr. George Meany, head of the AF of L-CIO, stated recently that labour should voluntarily replace strikes with reliance upon binding arbitration for a one-year period. He said that the strike is a nineteenth century tactic, and with the advent of corporate giants and correspondingly super-unions, strikes become even-matched struggles which drag on for weeks,

radiating economic shock waves far beyond the limits of the actual conflict.

I cannot understand the minister when he says that government intervention at this time would destroy the collective agreement or destroy the collective bargaining process, because we have intervened in this way in the past. In this case the parties to some extent have already destroyed the collective agreement. It seems ludicrous to me that as Montreal goes down the drain, the government, which is to protect the public interest, clings to principles which have already been thrown out by those whom they are meant to serve.

Mr. Raymond Rock (Lachine): Mr. Speaker, my colleague, the hon. member for Sainte-Marie (Mr. Valade), has conscientiously and seriously presented a motion calling on the government to immediately end the dock strike. As a member for the Montreal area of Lachine, Dorval and Ste. Claire I am proud to have seconded the motion. It is too bad that just at the end of the speech of the hon. member for Sainte-Marie, the hon. member for Témiscamingue (Mr. Caouette) refused to allow the hon. member to finish his speech, because there were important proposals the hon. member wished to make. As the seconder of his motion, I want at the outset to read into the record his proposals, if you do not mind, Mr. Speaker.

[*Translation*]

The solutions proposed by the hon. member for Sainte-Marie (Mr. Valade) are as follows:

The Minister of Labour (Mr. O'Connell) should:

A) call the bargaining agents who have participated in the preparation of the agreement for both parties and invite them to convince their respective groups to use arbitration;

B) make a specific statement in which he should establish the disastrous effects of this impasse on our economy and indicate clearly that in the public interest the situation could not last longer;

C) advise the parties that if they do not start arbitration procedures pursuant to their agreement within 48 hours, the minister will appoint one of the arbitrators designated in the agreement;

D) implement section 5-01 (7) concerning grievances;

E) immediately express his intention to amend the Canada Labour Code so that the Department of Labour could intervene *immediately* by imposing arbitration when the parties refuse to do so;

F) provide for a procedure ensuring that in any labour-management dispute under his jurisdiction, the federal government will see to it that a *secret ballot* is compulsory in labour union meetings and reflects a minimum membership participation for a work stoppage or strike to be decided.

[*English*]

It is too bad the hon. member for Témiscamingue did not give the hon. member permission to put forward these proposals at the end of his speech. I think this was stupidity on his part.

The Quebec illegal, wildcat dock strike is the worst strike in Quebec's history. In economic terms, its effects will be very harmful to Montreal for years to come. In fact, there will be no catching up; what is lost will remain lost. The $200 million yearly input into the Montreal economy is being dwindled away, and 10,000 jobs are directly affected. An equal number of persons are indirectly affected. Alternative shipping routes have been found. As a result of these alternative shipping routes

having been established, the shipping that has been lost may not return to Montreal.

The transportation hub of Montreal is threatened to such an extent that this loss may be permanent. One hundred and thirty-two ships left Montreal with full holds or were diverted to other ports at the beginning of the strike. Prairie grain is being shipped by alternate routes. There is talk of flour mills moving their operations out of our province. This would result in loss of jobs, pensions, and so on.

Management has appealed to the federal government to take action to stop the strike. The Montreal Chamber of Commerce has asked that the federal government take action. The only action taken so far by the Minister of Labour (Mr. O'Connell) is indicated in a release from his department entitled "Labour News Headlines", issued by the Canada Department of Labour on June 2, which reads:

> Labour minister, Martin O'Connell, has refused to permit St. Lawrence stevedoring firms to prosecute a union of 3,250 dockworkers on strike for more than three weeks in defiance of court injunctions.

• (1510)

The government is shirking its responsibility in this illegal, wildcat strike. As always in situations such as this, the government has taken a laissez faire attitude. Like an ostrich, it has hidden its head in the sand and hopes that the problems will disappear by themselves. This government has allowed the deterioration of port business in the Montreal area to take place. This has affected 10,000 jobs directly and another 10,000 related jobs.

In other words, this government has again capitulated, as it has in the case of every strike affecting the federal jurisdiction. It capitulated in other dock strikes. It capitulated when our airports were shut down. It capitulated in the seaway workers' strike. It has often capitulated by allowing things to happen and never taking the initiative. This government is so weak that it has lost its credibility. It should not remain in office. This government has allowed the U.S.S.R. to build turbines for Canada, to the detriment of Dominion Engineering Works in Lachine and of Canadian expertise. It has allowed the importation of huge generators and transformers, to the detriment of Canadian manufacturers and Canadian expertise. It has allowed the importation of machinery for the production of paper, to the detriment of Canadian manufacturers and Canadian expertise.

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

Mr. Rock: Later, Mr. Speaker. I want to finish my speech first. Since 1968, when this government took office, Dominion Engineering has laid off over 900 workers and Northern Electric has laid off over 3,000 employees. Presently, Northern Electric is in the process of laying off approximately 370 more employees, many with 25 or 30 years of seniority. On many occasions the Minister of Industry, Trade and Commerce (Mr. Pepin) has implied that this is not happening. He has done nothing to alleviate this serious situation: he takes an ostrich-like attitude and buries his head in the sand.

Some hon. Members: Hear, hear!

Mr. Rock: I believe that Bruce Taylor of the Montreal *Gazette* put it correctly in that paper's issue of Wednesday, June 14, when he wrote the following:

> The shadow of the axe hanging over the Northern Electric employees looms larger. Jobs continue to dwindle, salary slashing is in the works, and more departments will be phased out or shifted to Ontario before long. (Company denials will come, but won't mean much. It's denied other such reports that time has proved to be accurate).

When I have asked questions in this regard, the Minister of Industry, Trade and Commerce has joined Northern Electric in their denials which later were proved to be accurate. So here we have a government which has adopted a policy of laissez faire and has capitulated at every turn.

Mr. Deputy Speaker: Order, please. Would the hon. member resume his seat, please. Would the hon. member indicate to the Chair the relevance—I am not suggesting there is no relevance—of his remarks to the motion before the House. Would he indicate the relevance of the employment situation, to which he is referring, to the motion before the House?

Mr. Rock: Mr. Speaker, I have attempted to give examples of how this government has allowed things to happen which are detrimental to the economy of our country. I am referring to strikes and other situations in which the government has taken no action. Since 1968 this government has capitulated whenever a strike has taken place. It has allowed our economy to deteriorate by adding more unemployment to the unemployment already caused by its policy to fight inflation. The Prime Minister (Mr. Trudeau) has publicly confessed to this policy on many occasions.

This strike is now in its sixth week, and the government continues to refuse to intervene. It has failed to put an end to the strike. It has capitulated at every turn. This government does not lead, nor is it led. It has lost its credibility, and in fact it has no moral right to remain in office after June of next year.

Some hon. Members: Hear, hear!

Mr. Rock: May I say in conclusion, Mr. Speaker, that I believe this government must adopt the motion put forward by the hon. member for Sainte-Marie, and it should intervene forthwith to end the strike immediately.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, I suggest that the matter before us is not only of concern to members from the province of Quebec; it is a national problem and as such we are all concerned.

Mr. Woolliams: We want to know which side you are on, the farmers' or the strikers'.

Mr. Thomson: Quite frankly, as a farmer I myself can get the grain to market. If the hon. member can tell me, when he makes his speech, how I can get the grain past the port of Montreal, the port of Vancouver, or somewhere else, directly to the customer I would be only too happy to hear how it can be done. I like to think that people who work at these ports recognize that they have a product to handle and it is important to people such as

myself, representing a farm community which grows a product, to have it shipped to the customer. We live in an interdependent world. The matter before us points this up more than anything else.

I would be cautious about laying the blame on either management or labour in this respect. I am not close to the situation and therefore I am not in a position to judge. But I do stress the importance of this problem not only to the city of Montreal, the city of Quebec, the province of Quebec or the businessmen there, but to the economy as a whole, particularly to the people of Saskatchewan, the province from which I come.

As I listened earlier to the minister speaking about the problem, I was reminded of the story of the businessman who was travelling on a train. He went into the diner and ordered a particular pudding for dessert. For some reason this pudding was not available. The businessman became very angry and said, "My company gives this railroad hundreds of thousands of dollars' worth of business every year, yet when I get on this train you cannot even supply me with a dish of pudding". The chef happened to know that they were coming to a large city and he wired ahead to have the pudding ready when the train arrived there. Just as the train was pulling into the station it was time for dessert, and they rushed a dish of pudding to the businessman and offered it to him. But the businessman would not eat it. He said, "I would rather be mad".

When I listened to the minister refer to these two parties not even wanting to come to the bargaining table, I was reminded of the story. They would rather be mad at each other than get together and solve the problem. I suggest that perhaps the two parties concerned should look at the situation in that light. I would say to them: Grow up a little.

We in the Prairies have known for some time that we must ship much of our grain to markets outside of Canada through the St. Lawrence Seaway, and in this case much of it goes through Montreal. This just goes to show that if someone sneezes in Montreal, someone on the Prairies is apt to catch a cold. If there is no sale or movement of grain on the Prairies, this is soon reflected in the industry of Ontario and Quebec. It all demonstrates how interdependent we are in this age.

• (1520)

This points to the need to develop new measures to solve industrial disputes. I ask you to notice, Mr. Speaker, that I do not say labour disputes. They are industrial disputes because there are two sides to them. As I say, we have to evolve new methods for solving them. I have some ideas but I hesitate to suggest them in an emergency situation that has given rise to an atmosphere where anger and hard feelings have been shown. But we can point to other countries where workers do not go on strike over every little problem that develops. Here I think of Sweden especially.

As a Saskatchewan farmer, I emphasize the importance of sales of grain to export markets. At the moment these sales are quite large. But it is not enough that we sell the grain, we must also get it to market and, logically, much of it must go through the port of Montreal and the St. Lawrence Seaway. While the price we get for our grain may not be as attractive as farmers would like, the large volume of sales has somewhat alleviated their problems. As a result, it is necessary that we keep a large volume of grain moving. Much of it must go through the St. Lawrence Seaway.

The problem is not confined to this year alone. If we have an unfavourable labour record at Montreal it will jeopardize our sales in succeeding years. Customers wonder about our ability to move grain. A similar situation arose recently in the port of New York. There were many problems at that port, many industrial disputes, as a result of which businessmen started to arrange to transfer their business elsewhere over a long period of time.

As a grain shipper from western Canada, I would like to point out to hon. members who represent the city of Montreal that western farmers are concerned about the reputation of the port of Montreal. If we cannot ship our grain through Montreal we will have to take a closer look at developing the port of Churchill, at enlarging facilities at Prince Rupert and placing better facilities at Vancouver. But logically Montreal is one port through which we should be shipping grain. Let me simply say that if the problem continues we will have to look elsewhere. This is a problem that affects not only Montreal but the people of the Prairies.

The National Farmers Union has suggested that, if necessary, the government might take over the port facilities at Montreal until the present problem is resolved. I suggest that the Department of Labour should be looking at this matter quite closely if the strike cannot be resolved by some other means. I heard the Minister of Labour (Mr. O'Connell) argue with a great deal of eloquence about the way strikes are settled in this day and age. But, Mr. Speaker, this strike is not being settled. I think the minister might use his moral authority a little more forcefully. Sometimes in a situation of this kind the moral leadership given by a minister can bring the parties together and make them ashamed of themselves for not negotiating. It is not enough for the minister to sit in Ottawa and scold them from a distance; he should show a little more initiative and leadership directly on the spot, in the hope that this might resolve the situation.

One hon. member from Montreal has reported on the effect of the dispute on business in that city. This reminds me of a friend who once told me that it is a poor business deal that does not benefit both parties. Mr. Speaker, in this case the public is the third party and it is a poor deal for all parties when there is no settlement of the strike. I wish to make just one more point. I recall working one winter on the railway in the city of Toronto. I came from the Prairies, where everyone is known and, indeed, where everyone is important. There is no problem there about identification. But I came into a big city and began working for a big railroad. The workers were represented by a big union and I can recall wondering about the problem of self-identification. I may have felt quite important back home, but nobody seemed to care in Toronto. If some day a man didn't show up for work, they just got somebody else to take his place.

I cannot help feeling that part of the problem connected with the settlement of disputes is that nobody knows, nobody cares. Whether you go to work or do not go to

work is not noticed, unless there is a strike. Sometimes the only reward or attention you get is when you do something out of the way. This is part of the total problem. This sense of identification, of being needed and wanted, must be examined in a society where cities are growing larger, where businesses are becoming bigger and where labour is represented by larger organizations. If this problem is tackled, some of the other problems may be easier to resolve.

[*Translation*]

Mr. Gérard Loiselle (Saint-Henri): Mr. Speaker, allow me to rise and discuss the question raised this morning by the hon. member for Sainte-Marie (Mr. Valade).

The hon. member dealt with the question of the port of Montreal and said it was urgent to move a motion to this effect. However, it is unfortunate that himself and the hon. member for Lachine (Mr. Rock), who just resumed his seat, turned the serious problem of the strike in Quebec ports into a political issue.

Speakers from the two other parties have dealt sensible with this problem and proposed to the minister and the government various ways of settling it. But they did not try to turn it into a political issue which, I suggest, would have been quite out of place. There is an appropriate time for everything. Some issues may be used for politicking but I think that this problem is so serious that we should refrain from petty politics as has been attempted today.

I might go as far as agreeing that this motion had become necessary, even though I do not fully endorse it, because it must be kept in mind that even though this motion comes from the opposition, there are Montreal members on this side of the House. And even if, day after day, we do not put any questions to the minister in this connection, this does not mean that we are not concerned. In fact, as a member from Montreal, I can state along with my colleagues from that area that we have discussed this matter many times with the minister and that we are quite anxious to find a solution to this problem which threatens to get worse every day.

If the government tries to settle a public problem too hastily, it is told: You have not given the union and union members enough time to settle their problems with their employers. If the government postpones its intervention and gives more freedom to the union and union members for further discussion with employers, it is told: You are too slow to act.

In fact, I can affirm that my colleagues from the Montreal area, as well as myself, have often discussed this matter with the minister. We are quite willing to find a solution to the problem which might get worse as the days go by.

True, as I said a while ago, we are aware of the prejudice caused by this dispute to the economy of Montreal and the area. It is estimated at $1 million per day. Since the goods cannot be unloaded in the port of Montreal, they must be routed to Toronto, Halifax or elsewhere, which, besides causing a direct loss to the port of Montreal, results also in losses for the Montreal area carriers who used to provide that service.

Some goods are held in other ports, so that dealers run the risk of losing sales. Extra storage, trucking and freight charges add to the cost of such goods, which is prejudicial to the economy and explains why this problem has become quite serious. And this is why we have had extensive public discussions with the minister and some of his officials.

When the collective agreement between the Longshoremen's or "Stevedores" Union—as they like to be called—and the Maritime Employers Association of Montreal harbour was signed last March, it was hailed by both parties as the best agreement in North America. Everyone gloried in the fact that for the first time in years peace might have returned to Quebec harbours which could thus resume their former place in Canada. Actually, it must be recognized that for the last four or five years, the situation in Quebec harbours, particularly in Montreal, has not been an easy one. And following the signing of this collective agreement which gave Canadian longshoremen greater benefits than American stevedores enjoy, people thought that the situation had been settled and that within the next two or three years, Montreal harbour would thrive once again, that jobs would be created and, by the same token, that the whole metropolitan area would reap these benefits. Unfortunately, this agreement was short-lived.

As a solution, it was suggested that an inquiry commission be established. As the hon. Minister of Labour (Mr. O'Connell) has indicated, the establishment of an inquiry commission would delay the solution of the problem. Too much time would elapse before the chairman of this commission could be selected, before hearing the evidence of those who favour or oppose the establishment of the commission, and before being acquainted with the views of both parties, in order to reach a decision.

Today, I am of the opinion that the minister has waited for the parties to come to an agreement, but they do not want to. The matter is becoming more urgent day by day.

The hon. member for Sainte-Marie (Mr. Valade) read into the record this morning the French version of the collective agreement dealing with grievances, but I must now quote from the English text since it is the only copy at hand. Subsection D) of Section 5 of the *Grievance Procedure* is very clear, and I quote:

• (1530)

[*English*]

(d) A request for arbitration may be initiated by either the union or the Maritime Employers Association. The party requesting the arbitrator shall set forth in writing the matter submitted to the arbitrator and send a copy of it to the other party.

[*Translation*]

Today, Mr. Speaker, the employers' syndicate says: We are quite willing to go to arbitration, but the International Longshoremen Association does not agree. The longshoremen union says: "We refuse, and we are right to do it."

Nor do we, the Minister and I, want to act as arbitrators. Nor does the government. In view of the fact that this collective agreement was freely entered into by both parties and since it is provided in this section that either party may ask to go to arbitration, the dispute can only be settled now if the longshoremen union or the employer's

Association applies for arbitration. If either party can apply for it and if the appeal can be heard as provided in the collective agreement, I call on the more intelligent of the two parties, to take such action.

Let neither of the two say: I do not want to do it because the other party does not want to. Is either of them afraid of the arbitrators' decision?

This collective agreement also supplies the name of four persons who could be chosen as arbitrators to settle a grievance. And I know from good authority that the first name on this list is the hon. Mr. Justice A. B. Gold, who is ready and available for hearing this dispute. But if the judge wishes to hear the grievances, they must be presented.

That reminds me of a small family quarrel, when husband and wife through pride or conceit do not want to give in.

It is necessary in the public interest, in that of the Canadian economy and particularly in that of Quebec which suffers so much from all those conflicts between unions and management, to come to an agreement.

Mr. Speaker, I do not want to say here that employers are wrong or blame the longshoremen's union. It will be for the judge to find the solution to the problem.

The few notes which I have on the collective agreement are very simple and very clear. Section 5 (g) reads as follows:

[*English*]

(g) The arbitrator will have jurisdiction over any question relating to the interpretation or application of this agreement as well as the application modalities and implementation of an arbitration decision, but he will in no case be empowered to amend, add to, or delete any part of this agreement.

(h) The arbitrator's decision will be final and binding.

[*Translation*]

Mr. Speaker, that is clear and simple. If the two parties involved do not step forward and ask for arbitration—and I trust the Minister of Labour—the two parties will have to sit at the same table and a final decision will have to be reached.

I am convinced, Mr. Speaker, that both parties know, the longshoremen's union as well as the employers' association, that sooner or later solutions will be applied. I wonder, however—because I know they are intelligent men—whether after five weeks of delay that have forced 150 ships to sail to other Canadian ports, it might not be time for the parties involved to ask for arbitration themselves.

This is only a plea. I do not accuse one party or the other. I would not want to be the judge who will decide, but the collective agreement is quite clear. I am not a lawyer, but it is so clear and simple that I have easily understood that the parties have all the powers, but they will have to put their pride or self-respect aside and refer their problem to the judge, so that he may consider it, in order to find a solution.

We must keep in mind that the economy of Quebec is affected by that conflict, as I said a while ago. It is losing $1 million daily.

[Mr. Loiselle.]

Mr. Speaker, I ask again the employers' organization as well as the longshoremen's union to resort to arbitration.

So far, questions have been put to the minister in the House, and he has repeated, day after day—and I would have said the same thing—that he dared not get involved in a collective agreement which, as I said earlier, has been signed in good faith by both parties, an agreement in which the use of computers is dealt with.

The hon. member for Témiscamingue (Mr. Caouette) said this morning that computers were already installed. If my information is accurate, they are not, but will be only in September, and there seems to be some disagreement, now, regarding this. If I remember correctly—I do not have the text of the agreement before me—as long as the computers are not working, the clauses of the old agreement will apply.

It seems that following the one-day walkout, out of sympathy for the labour common front about the troubles which occurred recently in the province of Quebec, the Maritime Employers' Association has changed its position and said that this one-day strike was a breach of contract. It may be true because such a day was not provided in the contract and there was a breach of contract.

I think this was unfortunate and I appeal to altruism because there is no doubt employers are never affected by a strike; it is the employees who suffer. Unions always manage rather well, but the employees get hurt.

• (1540)

I was talking yesterday to one of the Montreal blue collars who have just ended a 5-week strike and I jokingly welcomed him and his truck to the Montreal area. He pointed out to me that before the strike he was eating in a restaurant but since he was not working he ate sandwiches.

I will spare the House the language he used as it would not be parliamentary. I mean to say that the same thing happens each time there is a strike.

I received between 1 and 2 o'clock a group of young students from my constituency who attended part of the debate. They asked a few questions about its nature and its effects. And I was pleased to tell them what it was all about.

There is a solution which other hon. members have mentioned, and I believe, it is getting increasingly imperative to come to it in labour-management relations. More than ever before, I think, it is time to establish in all fields of endeavour—and I spoke to the Minister of Labour about it—a council or a supreme labour tribunal, because on many occasions strikes are settled only after 5, 6 or 7 weeks and often the employers' proposals made in the beginning of the negotiation period are accepted. The pattern is always the same: it is always the small man who suffers.

I live in a labour district where strikes are frequent, and those who are the most needy are always the ones who suffer the most, and not union leaders nor management, because these have always the means to wait and to recoup. And management often brings pressure to bear against unions.

It is time to start establishing fair and effective standards and making available to employees all the means and resources required to air their grievances. I am generally in favour of labour unions, although in some cases I may have reservations about their integrity.

About a year ago, I made a speech in which I was condemning the unions on a specific matter. As a general rule unions have a right to exist, but there are still too many workers who are not unionized, unfortunately.

We may hope that in the present conflict union members will land on their feet and those aware of the terms of the longshoremen's collective agreement know that their remuneration is quite high. However, they themselves will be penalized and the consequences will affect the economy.

I therefore renew my request, appealing as sympathetically, as humanely as possible to both the Employers Association and the Longshoremen's union, that one of the other party call for arbitration. The collective agreement, I repeat, was signed in good faith, both parties agreeing to the paragraph I mentioned providing that if either party files such a request for arbitration the mediator will have to hear the case and render a decision, since something must be done, and otherwise the government will eventually have to take action.

If the Maritime employers' Association or the International Longshoremen's Association do not fill out a request by this weekend, I shall urge the minister of Labour to intervene early next week.

I understand his reluctance to get involved in an agreement that was concluded between these parties, but if neither of them, as prescribed by the collective agreement, files a request for arbitration, I would ask the Minister of Labour to intervene at the very beginning of next week so that a solution to the problem of Quebec ports may be found.

[*English*]

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, in view of my announcement earlier that I was retiring from active politics, an event that may come later this year may mean this is my last opportunity to address the illustrious members of this august House. I want to take this opportunity to personally thank Your Honour and, through you, all the other Speakers, Deputy Speakers, officials of the House and members of parties connected with the conduct of business here for the courtesy and kindness extended over the years to me, my wife and family. I would also like to say that if any members visit the great province of Saskatchewan, they are more than welcome to drop in and visit us.

Some hon. Members: Hear, hear!

Mr. Southam: It goes without saying that when we have before the House an issue such as we have today, as a western member vitally interested in the transportation of grain to market I should rise in my place and comment on this very serious situation.

First, Mr. Speaker, I wish to compliment the hon. member for Sainte-Marie (Mr. Valade) for bringing forward the important matter of the Montreal dockworkers' strike through his motion under our rules which allow opposition members to raise matters of great urgency. I also compliment the hon. member for Lisgar (Mr. Murta) and the hon. member for Lachine (Mr. Rock) for their very comprehensive remarks in connection with this serious matter.

• (1550)

I should like to review some of the events leading to the present serious situation. I trust hon. members will excuse me if I take up the time of the House for a few minutes; I was not here during all the speeches made this afternoon. In any event, I believe the people of Saskatchewan will be interested in the preliminary observations I have to make in connection with the great port of Montreal and the effect the strike there will have on the Canadian economy generally as well as upon Montreal itself.

I should like to list a few of these events. National Harbours Board ports in Canada handled a record 93.7 million tons of traffic in 1971, up by 7.9 per cent from 1970. The port of Montreal, however, showed a decline of 5.4 per cent in tonnage handled during the same period. Since May 16 the port of Montreal has been paralyzed by striking longshoremen numbering about 3,200. The ports of Quebec and Trois-Rivières are also affected. Grain is the staple item of commerce on which the ports depend, and since the strike began 500,000 tons of grain have been diverted to other ports.

According to the chairman of the Wheat Board, Canada will be unable to honour her commitments in respect of European markets because of the strike. I shall repeat that statement because it is of vital interest to myself personally, to my province and, I am sure, to all of western Canada. According to the chairman of the Wheat Board, Canada will be unable to honour her commitments respecting wheat shipments to European markets, as planned, because of the strike.

I should like to give the House some background information with respect to this strike which is paralyzing the great harbour of Montreal. It is costing shipping agents in Montreal alone an estimated $100,000 a day. The cost to the community in lost salaries and direct income exceeds $1 million a day. At least 132 ships have sailed from Montreal or have been diverted from the port with full holds. This represents a loss of 425,000 tons of cargo. Ten thousand people depend directly on the port for jobs, and many times this number employed in service industries are adversely affected by the strike.

The port pumps approximately $250 million a year into the Montreal economy. A consortium of five large Japanese shipping companies which has been scouting for an eastern Canadian terminus for its ships has decided to give Montreal a wide berth even as a secondary distribution centre. A foreign automobile manufacturer who had been seriously considering Montreal as a base for increased unloading capacity in eastern Canada, is having second thoughts. Material for a display destined for China and vaunting the strength of the Canadian economy is held up in the strikebound port. Export grains shipments to Russia and other destinations across the Atlantic have been rescheduled out of terminals on the north shore of the St. Lawrence River and more than 100 jobs in the Montreal area could disappear as a result.

Quebec Longshoremen's Strike

Mr. Speaker, I believe hon. members would be interested in a further brief outline of the main events in this dispute. On March 30 of this year management and labour signed a three-year contract aimed at improving the port's obviously low productivity by eliminating the outmoded gang system. In return, the employers provided the men with job security and a lucrative pension scheme. The agreement was subsequently ratified by the union rank and file. Irregular work stoppages began on May 9, culminating in a walkout by 3,200 longshoremen on May 16. The strike directly affects the harbours of Montreal, Quebec and Trois-Rivières, paralyzing transport over much of eastern Canada.

What was the main cause of this strike? The main gripe which set off the wildcat action arose from dissatisfaction over changes made in the system of work gangs. In the last labour contract management won the right to break up the work gangs. They were to be replaced by a computer system which was to come into effect this fall. Instead of a constant unit of 17 men doing all jobs, the computer would call up only those men needed for any particular task. The men signed and ratified the agreement, but when the break-up of the work gangs started, they walked out.

What was the reaction of management to this situation? Attempts at negotiation failed and three court injunctions ordering the men back to work were ignored. On May 31, the Maritime Employers Association suspended the striking longshoremen. Management has offered to ask for arbitration providing the union will attend the sessions and abide by the decision of an independent arbitrator. As yet there has been no success in bringing the two parties together. Labour took the following position: the day after their suspension, about 300 members of Montreal local 375 of the ILA voted to continue the walkout at the three St. Lawrence ports. Only about one-tenth of the available union members took part in the vote. The union president said the men were prepared to stay out for as long as was necessary to gain a satisfactory settlement. An unnamed spokesman for the union stated there was no question of arbitration.

The federal government took its usual position in such cases. The Minister of Labour (Mr. O'Connell) has repeatedly called on either or both parties to make use of the arbitration clause in their contract in order to settle the dispute. He has often declared his intention not to interfere, both to this House and to the press. It is the usual story—Nero fiddled while Rome burned.

Let us review, now, the short-term problems resulting from this strike. Until the early 1960s the port of Montreal enjoyed an enviable reputation. It could handle goods more cheaply than anywhere else in North America. Labour relations, though paternalistic, were good and strikes were infrequent. In the late 1960s, government and labour forces pushed through a contract on behalf of the International Longshoremen's Association which, among other things, fixed the size of labour gangs unloading ships at an arbitrary number regardless of the number actually needed. Production declined drastically. One Montreal company estimates that in 1966, 20-man gangs handled about 35 tons of flour an hour. Today, 17-man gangs handle a maximum of 16 tons an hour. This means ships stay in port for longer periods at a cost of between $2,500 and $3,000 a day. This has grave implications for the future of the port since an important factor in the scheduling of shipping today is the speed at which cargo can be unloaded.

Statistics Canada reports that more vessles visited Montreal in 1971 than in 1970, and figures issued by the National Harbours Board shows steady increases in general cargo tonnage handled over the past five years. Nevertheless, the effects of United States dock strikes on certain Canadian ports may have inflated the figures in relation to the total cargo handled. In fact, Montreal's through cargo declined by 5.4 per cent in 1971.

• (1600)

Canadian Pacific, although its headquarters is in Montreal, located its new container terminal in Quebec City, claiming it was more economic. And last summer a gang of shippers suggested that one solution to Montreal's labour problems would be to close the port. "Most of us can do our shipping through maritime ports with only minor inconvenience or additional cost; it is drastic but it might be the only way," said one company president.

Federal intervention has done little to ease the problems plaguing the labour situation. In the recent Montreal longshoremen's strike federal intervention has been non-existent. Despite pleas by the Montreal Chamber of Commerce and the Quebec Truckers Association, the Minister of Labour has refused to interfere. Rather, he has repeatedly called for either or both parties to make use of an arbitration clause in their contract to settle the dispute. Federal failure is not limited to labour relations. Its transportation policy, as it applies specifically to Montreal and generally to all ports under the National Harbours Board, has failed adequately to assess the needs of and directions for the future administration of the port.

A year ago, on May 12, the Minister of Transport (Mr. Jamieson) announced a new policy for ports. He proposed creation of local port authorities for each of the nine major ports now administered by the National Harbours Board. These local port authorities were to be representative of all local interests including management and labour, municipal and provincial authorities. Each was to have a good deal of authority, including consultation in the appointment of port managers, the preparation of budgets, forward planning and other important matters. At that time the Minister of Transport stated that the federal objective "must be concerned with the good of all Canadians and not just with any particular vested interest".

However, various comments by those asked to serve on the local port authorities raise serious questions about the eventual success of the federal government's objectives. In Montreal, several men asked to serve and the port authorities flatly refused. They pointed out that they could not very well run a major enterprise which would require them to make decisions regarding their own competitors. There could be also a conflict of interest with labour appointees in a decision between the efficient running of the harbour concerned and the demands of the labour union members. Conflicts of interest could well cause serious damage to the harbour concerned. Instead

of serving national interests, the port authorities could easily become involved in individual concerns, reflecting the make-up of the local boards.

What is therefore needed, and what has not yet been suggested by the Minister of Transport—despite the fact that members of the port authorities of Montreal, Halifax, St. John's, Saint John, Quebec, Trois-Rivières, Churchill, Manitoba and Vancouver have been announced—is government controls. The Minister of Transport must place controls on the power of the National Ports Council's influence over the Department of Transport and the National Harbours Board. He must also establish who is going to be responsible for policy-making and for coordinating the activities of the various ports. These controls are essential if the outcome is to be fair to all concerned in all regions of the country.

What is the long term prospect, Mr. Speaker? A major problem affecting Montreal in the long run, as in the short run, is its lack of effective administration. The newly established port authority in its present form does not promise much improvement over the past administrative performance of the National Harbours Board. And yet the future of Montreal's harbour depends upon adequate planning and definition of goals. Further, it is important that the establishment of these goals be made in the context of nationwide transport policy which realistically reflects the potential of Montreal within an integrated national system.

The future of shipping lies in containerization. A critical factor in profitable and efficient ocean container transportation is to see that inland container movement and inland terminals adapt to increasing flows. According to R. R. Cope, vice-president of research for the Department of Transport:

> The critical factor in influencing the directional flow of containerized cargo between the Atlantic hinterland and overseas points through the Atlantic and St. Lawrence ports will likely be the adjustments made by the inland carriers in rates and services to accommodate containerization.

In the context of substantial increases in container traffic, Montreal's future is not good. The port's potential is limited by its spatial placement between the river and railway tracks. There is little room, and no plans for future expansion to permit quick unloading of large quantities of containerized cargo. As well, the proximity of the harbour to the downtown centre hinders quick and easy access to and from the waterfront both by trains and/or trucks. Essential to efficient sea-land transport is the facility of access for loaded vehicles to main trucking and train routes.

Obviously, the direction of future development for the harbour of Montreal must be studied carefully. It is most important that the port's potential be seen in the context of national goals. If an east coast port, such as Halifax, can be more suitably developed as the main container terminal for eastern Canada, then futile dreams of maintaining Montreal as the country's premier general cargo port must die. The port's future role must be assessed according to its potential but, as has been stressed, in the context of future directions of transportation methods as they affect the entire country.

Bringing this matter closer to home rather than speaking in general terms about how it affects the entire country, I ask, how does it affect our agricultural industry? It affects it in a most serious way, particularly my province of Saskatchewan which produces so much grain and depends on our major ports to keep this grain moving to world markets. Our party, on checking only yesterday with officials of the Canadian Wheat Board, found that the board, as well as all other representatives of the Canadian grain trade and farm organizations, are expressing the greatest alarm at the cutback in grain shipments from the port of Montreal. The government cannot salve its conscience by saying the grain will move through other ports. The fact is that these ports are now working to capacity in most cases and can not be expected to handle the extra volume of large amounts of grain. This means delayed deliveries to our customers, possible loss of markets to certain customers and a direct drop in farmers' income.

The fact is that the only remaining hope that even our large grain producers in the west have is that they produce large yields per acre and market these yields on a larger quota annually, having regard to the much lower price per bushel our farmers are now receiving for all their grain products. I want to re-emphasize what the hon. member for Lisgar referred to in his speech a few minutes ago, and that is that the effect of the Montreal dockworkers' strike more than points up the fact that the government should immediately take steps to enlarge grain handling facilities at both the ports of Churchill and Vancouver.

Mr. Speaker: Order. I must interrupt the hon. member to inform him his time has expired.

[*Translation*]

Mr. Ian Watson (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, as a member from the Montreal area and representative of a riding through which the St. Lawrence Seaway passes, I am very much interested in the prosperity of the port of Montreal, as are also several of my fellow-citizens from the south shore area of Montreal.

[*English*]

A number of factors with which we are all too familiar have combined during the past few years to put, if not the future at least the future greatness of Montreal in doubt. Located at the entrance to the Great Lakes industrial heartland of North America, surrounded by the richest agricultural land in Quebec, within easy distance of abundant mineral resources, and endowed with one of the world's most scenic locations, Montreal attracts an energetic and cosmopolitan population which gives to this city an incomparable spirit and character. Being so richly endowed with human and physical resources, I am convinced that Montreal's future is to be to Canada what New York is to the United States. Yet if that is Montreal's objective, we have lost ground.

• (1610)

[*Translation*]

Never before has it been more important to fight against the narrow-mindedness which, if it were success-

ful, would make Montreal a city of strictly regional or provincial importance. The authorities in Montreal and Quebec, as well as the federal member from Quebec, must give strong support to broadening Montreal's national and international role. One essential element of Montreal's future depends directly on the federal government, and that is our port: it stands closed today almost forsaken by all maritime transport companies.

[*English*]

The strike now in progress, unexpected as it was in the midst of the general euphoria surrounding the signing of the three-year contract, is a terrible setback not only to Montreal's legitimate aspirations to greatness in maritime commerce but to the entire business atmosphere of this great city. The side effects of port activity on Montreal business are enormous. This port brings in revenue from customs and excise duties, not necessarily all attributable to maritime activity, of $329 million a year. In addition, the money generated by port activities is a figure somewhere around $225 million. I think that is probably a low figure.

As a result of the present strike at least two shipping companies have moved their lifters and transporters by train, in one case to Halifax and in another to Saint John, New brunswick. The Canadian Importers Association has now advised its contacts and its principals in Europe and elsewhere in the world to re-route cargo into Montreal by methods other than the maritime method, at least from now until the beginning of September.

We in the Montreal region are in the midst of a crisis which I do not think too many of our citizens yet appreciate. We have tended to have strikes and see them settled on a more or less acceptable basis over the years. I submit this situation is more dangerous than any I have witnessed since I first entered the House of Commons in 1963.

The situation, as I read it, has deteriorated to the point where the employers, in agreeing to this three-year contract, have tied themselves into a fairly expensive provision of annual wage guarantees to the dockworkers. It would appear the employers now find themselves in a position where, even if the port is immediately reopened, they will be in serious financial difficulty. Ships have left, they have been turned away, and ships headed here have been diverted elsewhere. The employers would find themselves in extremely serious financial circumstances in maintaining the financial terms of the contract they entered into if the men were to go back to work tomorrow.

The background of this dispute is still not completely clear to me or, I suggest, to anyone else. There are a number of factors affecting the union's attitude and a number affecting the employers' attitude. From my understanding of the situation, there is a considerable amount of fault on both sides to this dispute. In most instances this is the case. There are usually two sides to the story and the Montreal strike is no exception. There is serious fault, in my view, on both sides and there is no inclination that I can see by either party to take the measures, open and incumbent upon them under the law, to submit to arbitration.

Given these circumstances, I say to the government there is no longer any choice. It must, in my view, adopt more than the passive role it has taken up to now. The Minister of Labour (Mr. O'Connell) has acted correctly in saying to the parties that under the law he cannot force them to enter into arbitration. He has pleaded with them to do so. He has asked both sides to submit to the legal method available to them to resolve their disputes. But both parties have refused.

We have waited for several weeks for a move, but nothing has happened. We can no longer allow the business atmosphere of Montreal to be poisoned or the future of the port to be permanently damaged. I was not surprised, but very depressed this afternoon when I heard members from western Canada more or less write off the port of Montreal. The message is clear; people are writing off the port of Montreal and its future. The port of Montreal is far too important to Canada as a whole to be written off.

The two parties to this dispute appear unwilling or unable to make a move. The government, in the public interest, must now move into the situation and by legislation if necessary and trusteeship if necessary force a conclusion to what is now occurring in Montreal. As a general rule, the federal government in its labour relations suggests it does not believe in the idea of stepping into labour disputes because such action tends to prolong the dispute and the parties wait until the government steps in to solve things for them. They decline their responsibilities when there is a hope that the federal government will step in.

As a general principle I accept this as a logical and good argument, but in this instance I feel a number of factors have entered into the situation which make it unlikely that either party will take the initiative in instituting arbitration proceedings. That being the case, there is no choice and we should step into the picture. If nothing happens between now and Monday, I say to the Minister of Labour, through you, Mr. Speaker, that we must think in terms of legislative action.

• (1620)

The malaise which is the principal topic of the debate today, the strike, is not the only ill which affects the future of the port of Montreal. During the past year and a half we had high hopes that with the establishment of a new port authority there would be more rapid movement toward resolving some of the problems which have been plaguing the port of Montreal. This movement, however, still is not visible. The creation of the port authority took much longer than had been expected. When it was finally set up—I believe about six, eight or nine months ago—we were led to believe we would see some fairly rapid results of its activities.

So far we have not even seen a movement toward some of the activities for which a number of interested people in Montreal have been pushing for at least 12 years, such as an analysis of the land owned by the port with a view to developing the Montreal port to its maximum economic use. We find there are areas belonging to the port of Montreal which are underused in comparison to their economic possibilities. There is the question of whether or not the port of Montreal, in order to fully develop, should

expand across the river into the south shore area from Boucherville down river.

There is a question which bothers me considerably in respect of this possible port expansion. I refer to the question of what will happen to the Boucherville Islands immediately in front of Boucherville. These islands have been partly acquired by the port of Montreal. In my view they are an ideal site for recreational activities for the population of the eastern part of Montreal particularly. I have argued that the port of Montreal should move directly to the south shore rather than to these scenic islands which have tremendous recreational possibilities for a population which at the moment does not have major recreational facilities available to it.

Not only the port of Montreal, but in fact all our eastern ports are in desperate need of promotion. The major ports around the world sent emissaries to all world trading centres with the objective of bringing trade to these ports. Montreal, Halifax, Saint John and all our major eastern ports are in need of a much more effective promotion policy. In my view this has been a serious deficiency which reflects on the effectiveness of our National Harbours Board. The National Harbours Board has been sadly remiss in this area.

I understand there are now some moves afoot to correct the lack of commercial acumen which this government organization has demonstrated for so long. Hopefully, once a promotion is under way it will benefit not just one port but the entire eastern seaboard of Canada. With an excellent work force, efficient shippers and shipping agents we are in a position to compete very effectively with the United States ports which are now busy taking business away from the three Quebec ports which have been tied up by this most unfortunate strike.

One further point I feel should be made this afternoon is that the new Montreal port authority when it was set up was given a fairly flexible framework so far as membership is concerned; the number was not tied down completely. However, only one member on the labour side of the picture was appointed to the port authority. I would recommend strongly to the Minister of Transport (Mr. Jamieson) and the Minister of Labour that the labour representation on the Montreal port authority be increased. Perhaps I am engaging in wishful thinking, but it seems to me that had this been the case and had there been additional labour representation on the Montreal port authority, it would perhaps have been able to play a more effective role than it has in the resolution of the very grave labour difficulty which has afflicted the port of Montreal for the past number of weeks.

In closing, I urge again that the Minister of Labour at the beginning of next week, if there is no sign of improvement or movement, take the necessary steps to bring the parties together into arbitration if they will agree, and if they will not agree then I suggest we have no alternative but to consider establishing a trusteeship for the port of Montreal.

• (1630)

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, having on many occasions during the past few weeks put several questions to the hon. Minister of Labour (Mr. O'Connell) concerning the longshoremen's strike in Quebec ports, and as the representative of an electoral district near the port of Montreal, I take pleasure in participating in this afternoon's debate on this unfortunate strike, which has lasted far too long.

Mr. Speaker, we are faced with an illegal strike where the parties refuse to resort to arbitration or to meet, and on the other hand the minister tells us that although procedures are clear there has been no request for arbitration.

Faced with such a conflict and such confusion, the federal Minister of Labour, however, is also unable to claim that he cannot take action by hiding behind procedure as everyone agrees that the strike, which is indeed very serious, has lasted long enough, that losses on all sides, both to workers and employers in Quebec and Canada, are huge. It is time an end is put to the conflict and that a settlement takes place.

I should like to give a chronological outline of this strike which I followed, long and short, from the start.

On March 27, the officials of the employees union and of the shipowners accepted, on principle, a collective agreement. On April 4, this agreement was submitted to and practically unanimously accepted by longshoremen by a vote of 2,400 to 6.

On April 19, after acceptance of the agreement by the longshoremen, the federal government mediator, Mr. Poirier, who is an excellent mediator, a capable person, personally prepared, drafted and finalized the collective agreement which was signed by employers and employees in his presence.

All went very well until May 9. The agreement was signed on April 19, and it does not seem to me that there were problems until May 9, that is, nearly three weeks after the agreement was signed.

But on May 9, at eleven o'clock in the morning, there was a walkout in Montreal and other Quebec harbours for no known reason. The longshoremen walked out at eleven o'clock on May 9 for no known reason. But a few days after this walkout took place, we learned that it had been called out of sympathy for the leaders of the Common Front of Labour.

In relation to this walkout, the shipowners obtained an injunction and the longshoremen had to go back to work on May 10. On May 11, everyone was back to work and at 2 o'clock in the afternoon, the shipowners, or management, learned from the unions that they had violated section 9(11) of the collective agreement only three weeks after its signature.

This section had to do with the employment of men in the holds or on the decks of ships or in the warehouses in the harbours of Quebec.

When for example an employer needs 16 men to load or unload a ship, they make up a gang. When eight members of the team are working on the bridge and four in the hold—that is 12 men out of 16—four remain idle on the bridge or in the hold. Now, Mr. Speaker, the employers hired them to work at something else in the sheds. The unions would like those four men who belong to the gang

to remain idle, on the wharf or on the bridge while under the collective agreement, the employers can make them work in the sheds. It seems that such is the clause at stake in the present strike.

Mr. Speaker, while everybody was at work on May 12 and 15, meetings were held in the presence of the federal conciliator. The union leaders stated: "Injunction or no injunction, we will disregard any legislation and we refuse arbitration". This is quite different from what my hon. colleagues were saying a moment ago: "They refused arbitration because the conflict in connection with Subsection (11) of Section 9 cannot be subject to arbitration". They claimed that they would close the ports, and this is effectively what has happened. The strike has been on since May 15.

For the past month, approximately 500,000 tons of goods have been lost and I regret to say that Canada must depend for supplies on foreign shippers who look after the transportation of our goods, as Canada does not have her own merchant marine as yet.

We are now facing the following situation: the longshoremen are on strike and the shipowners have no more shipping to do. They are facing this dilemma whereby a collective agreement has just been signed which guarantees job security for the employees. Therefore, in what way could the employees be given job security in the future when the ports of Quebec remain idle, ships have gone away and there would be no work if the strike were settled? The shipowners are facing the following problem: that is to guarantee job security whereas they have no work to offer.

Mr. Speaker, this is a case where the minister must take action and must intervene. Once the strike is settled—I hope it will be soon—it will take from eight to ten weeks before the situation becomes normal in the Quebec ports generally or in the port of Montreal. That is to say that it will take from eight to ten weeks to have enough merchandise to load or to unload so that longshoremen will have some work to do.

I say it again, shipowners have signed a collective agreement which guarantees job security whereas, because of the strike, they have no work for the longshoremen.

Under these conditions, Mr. Speaker, there is a procedure to be followed. There is a solution. It is no more a matter of arbitration, because one of the interested parties has clearly said that it had no faith in arbitration and that it would not use it.

Now there cannot be any arbitration if both parties are not there.

When arbitration is impossible, one has to or resort to mediation. And the Minister of Labour should step in as early as next Monday and ask both parties to come to a settlement.

And in order to make mediation easier, the Minister of Labour for instance could ask both parties to suspend the somewhat embarrassing clause on job security, for eight to ten weeks, so that the situation may go back to normal in the Quebec ports and especially in the port of Montreal, so that ships may come back to our ports, that work may be resumed and that employers may guarantee job security as was provided for in the collective agreement.

The Minister could even offer to guarantee the longshoremen income security for 8 to 10 weeks, and if they do not want to lose their pay for not having worked during the strike, the federal government could, through a mediator, offer them income security until the situation goes back to normal and the provisions of the collective agreement concerning job security are in effect again.

However, arbitration has turned out to be impossible, so far. However, next week we could put an end to the strike, and I suggest we allow the Minister of Labour this time to resort to mediation and bring both parties to their senses.

But the Minister of Labour cannot hope to solve this dispute by simply inviting both parties to come to an agreement without offering them some concessions.

If arbitration does not work out next week the Minister of Labour could submit to the House a bill to settle this dispute.

Mr. Speaker, in closing, I must say that there have been enough pleas. Parliamentarianism as well as negotiations in the House have lasted long enough. Enough questions have been asked the Minister of Labour. It is high time for action and I hope that next week the Minister of Labour will step into the second stage in the settlement of this dispute by doing everything he can to bring both parties together and by making, in the name of the federal government, offers likely to help in settling this problem.

All of us will be happy if, through arbitration, we reach a settlement of the dispute. In case of failure, we will be glad in this House to study any legislation to put an end to it.

• (1640)

[*English*]

Mr. Paul St. Pierre (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, my intervention in this debate will be brief. I shall deal with just one point which has been raised by several of the members who have spoken, including the Minister of Labour (Mr. O'Connell). It is central to the question of compulsory arbitration in strikes which affect the public interest.

The point which more than one hon. member has touched upon is that in certain areas of the Canadian economy, in which both management and labour know that the service which their industry provides is vital to the economy, there is a continuing tendency for both sides to enter so-called negotiations from extreme positions, in the full knowledge and expectation that they will eventually reach compulsory arbitration imposed by the government, if necessary by act of Parliament.

For this reason, Mr. Speaker, I think it might be generally agreed that often such negotiations are not conducted seriously or in very good faith because arbitration, by its very nature, becomes mere compromise. It isn't greatly different from what we call mediation. And when the point is reached at which arbitration is imposed, the arbitrator in fact is in a position of finding a middle line between the opposing positions.

Therefore, not only in this strike in the port of Montreal, in which of course the parties have not yet been brought to the point of arbitration, but in railway disputes and other disputes affecting the national interest I suggest to

the House that our present system encourages the two parties, management and labour, to stay apart rather than to come together.

It discourages serious bargaining, because if one party or the other acts in the pretty sure appreciation that eventually they are going to go to arbitration, and in the pretty sure appreciation that most arbitrators do little more than find a middle line between the extremes, its interests obviously for its own group, whichever side it is representing, management or labour, is to begin from the most extreme point.

For this reason I want to put before the House today a bill which has been before the United States Congress this year. Without saying that I endorse it, I would say that it is imaginative; and I would think that in labour negotiations in Canada, particularly in areas such as the dock strike, we need some imagination. I would like to discuss briefly the form and content of this bill. It is a Senate bill, S.3232, and was put forward by 29 Senators headed by Mr. Packwood. The bill is dealing specifically with strikes similar to the Montreal dock strike. I quote from section 208(1) dealing with a strike which—

—affects an entire industry or a substantial part thereof engaged in trade, commerce, transportation, transmission, or communication among the several states or with foreing nations or engaged in the production of goods for commerce—

It is a lengthy bill. It provides for cooling-off periods and for various other forms of labour negotiations with which we are familiar. But there is one specific section of the bill which I wish to draw to the attention of the House. It appears at page 13 and is entitled "Final Offer Selection." This may not be new to some hon. members, but it is new to me and I find it a most intriguing proposition.

Essentially, the proposition is that before arbitration is imposed in a strike in the United States affecting the national interest in the areas I have quoted, each party would be obliged to make a final offer and one alternative final offer. The major and significant difference which this bill proposes from anything which we know in Canada is that the arbitration board, chosen in the normal manner—a three-man board—would not have the choice to alter final offers; it would be obliged to select holusbolus one or the other. I would like to read these sections, Mr. Speaker, and I think I can do it quite quickly. Section 219 reads:

The President may direct each party to submit a final offer to the Secretary of Labor within three days. Each party may at the same time submit one alternative final offer. The Secretary of Labor shall transmit the offers to the other parties simultaneously.

(2) If a party or parties refuse to submit a final offer, the last offer made by such party or parties during previous bargaining shall be deemed that party's or parties' final offer.

(3) Any offer submitted by a party pursuant to this section must constitute a complete collective bargaining agreement and resolve all the issues involved in the dispute.

(b) The parties shall continue to bargain collectively for a period of five days after they receive the other parties' offers. The Secretary of Labor may act as mediator during the period of the final offer selection proceedings.

(c) If no settlement has been reached before the end of the period prescribed in subsection (b) of this section, the parties may within two days select a three member panel to act as the final offer selector. If the parties are unable to agree on the composition of the panel, the President shall appoint the panel.

There are other subsections here which I will not read, but subsection (g) provides:

The panel shall at no time engage in an effort to mediate or otherwise settle the dispute in any manner other than that prescribed by this section.

Subsection (j) provides:

Beginning with the direction of the President to submit final offers and until the panel makes its selection, there shall be no change, except by agreement of the parties, in the terms and conditions of employment, and no strike, lockout, or similar activity shall take place. In no instance shall such period exceed 30 days.

(k) The panel shall not compromise or alter the final offer that it selects. Selection of a final offer shall be based on the content of the final offer and no consideration shall be given to, nor shall any evidence be received concerning, the collective bargaining in the dispute, including offers of settlement not contained in the final offers.

• (1650)

It seems to me, Mr. Speaker, that is an imaginative approach which is worthy of the consideration of the House. If, on reflection, the two parties to a dispute recognize that in going before an arbitrator they must arbitrate not merely a middle line between opposing positions but put forward a final offer and win everything or lose everything, it seems to me that both parties, management and labour, would be obliged to consider seriously the provisions contained in their final offers because they would know that compromise is not the solution since they will stand to win or lose everything.

An hon. Member: Five o'clock.

Mr. Deputy Speaker: Do hon. members agree to call it five o'clock?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It being five o'clock, it is my duty to inform the House that pursuant to Standing Order 58(11) the proceedings on the motion have expired.

At 4.53 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, June 19, 1972

The House met at 2 p.m.

ROUTINE PROCEEDINGS

On the order: Introduction of Bills.

Mr. Knowles (Winnipeg North Centre): I rise on a point of order, Mr. Speaker. I wonder whether the President of the Privy Council did not overlook something. Would he not like to move the first reading of the bill in the name of his colleague, the Minister of Veterans Affairs, so that we could advance it as quickly as possible?

Mr. MacEachen: I would be happy to move it for the minister. I was engaged in conversation with a colleague and, unfortunately, I missed it.

* * *

PENSION ACT

AMENDMENT TO INCREASE NUMBER OF COMMISSIONERS AND AD HOC COMMISSIONERS

Hon. Allan J. MacEachen (for the Minister of Veterans Affairs) moved for leave to introduce Bill C-215, to amend the Pension Act.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

QUALIFICATIONS OF MANPOWER COUNSELLORS

Question No. 12—**Mr. Marshall:**

What are the qualifications of Manpower counsellors who work with the unemployed?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Public Service Commission as follows: University graduation or equivalent (secondary school and years of related experience); evidence of ability to carry out counselling duties through work history; general awareness of acts, regulations and programs related to the duties; ability to communicate effectively, both orally and in writing; ability to establish and maintain effective working relationships with both departmental staff and members of the public; ability to adapt to changing conditions; initiative, tact, discretion, firmness and persuasiveness. The language requirements for each position depend on its location and the service which is to be provided to the public by the incumbent. Accordingly, appointees may be required to be qualified in the knowledge and use of the English language or the French language or both.

[*English*]

PER CAPITA COST OF HEALTH CARE

Question No. 78—**Mr. Rynard:** (supplementary)

1. What was the per capita cost of health care for each province for the period January 1, 1969, to January 1, 1970?

2. What was the per capita cost of hospital care for each province for the period January 1, 1969, to January 1, 1970?

3. What was the per capita cost of medical care for each province for the period January 1, 1969, to January 1, 1970?

Hon. John C. Munro (Minister of National Health and Welfare): 1. The per capita cost of health care for January 1, 1969 to January 1, 1970, includes: mental, tuberculosis and non-shareable hospital care expenditures, non-shareable personal health care, health administration, public health and general health expenditures. Excludes capital expenditures—

Province	Per Capita Cost
	$
Newfoundland	124.31
Prince Edward Island	123.88
Nova Scotia	158.17
New Brunswick	151.05
Quebec	172.87
Ontario	202.58
Manitoba	178.05
Saskatchewan	163.15
Alberta	196.80
British Columbia	185.62
Yukon & Northwest Territories	128.50

2. The current estimated per capita cost of in-patient hospital services for each province for the period January 1, 1969 to January 1, 1970 is as following:

Province	Per Capita Cost
	$
Newfoundland	58.79
Prince Edward Island	52.12
Nova Scotia	70.41
New Brunswick	73.36
Quebec	88.55
Ontario	84.62
Manitoba	72.04
Saskatchewan	76.71

Questions

Alberta	81.54
British Columbia	72.81
Yukon Territory	68.66
Northwest Territories	79.38

3. The Medical Care Program operates on a fiscal year basis from April 1st to March 31st. As a result, precise per capita cost of insured services are available on a fiscal year basis only. For the fiscal year 1969-70 the medical care per capita cost of insured services by province is as follows:

Province	Per Capita Cost
	$
Newfoundland	23.86*
Prince Edward Island	—
Nova Scotia	28.93*
New Brunswick	—
Quebec	—
Ontario	34.65*
Manitoba	40.60*
Saskatchewan	32.38
Alberta	35.60*
British Columbia	53.59
Yukon Territory	—
Northwest Territories	—

* As the provinces joined the Medical Care plan during the year, their cost of insured services does not represent a full 12 month per capita cost.

NOTE:* Prince Edward Island, New Brunswick, Quebec and the Territories did not join the plan in 1969-70.

EGG IMPORTS

Question No. 115—**Mr. Lambert (Bellechasse):**

1. Does the production of eggs in Canada meet the demand of the domestic market?

2. What was the volume of whole egg imports during the past 12 months?

3. What quantity of eggs in other form was imported during the past 12 months?

4. From what countries were eggs imported?

[*Translation*]

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: 1. The following table provides data on the egg market in Canada for the past year (1971).

	Jan. 1 to Dec. 31 1971 (million dozen)
Stocks of eggs as of January 1	5.8
Production	499.3
Imports	7.3[1]
Total Supply	512.4
Less: Exports	3.7
Stock at end of period	9.3

[1] Includes 3.2 million dozen eggs for hatching.

2. Import of whole eggs from January 1 to December 31, 1971 (the latest twelve month period available): Quantity (dozens): 4,523, 678; Value: $5,424,000.

3. Import of eggs in other forms from January 1 to December 31, 1971 (the latest twelve month period available): Quantity (pounds): 3,065,902; Value: $899,000.

4. Eggs (whole) and egg products were imported from the following countries between January 1, 1971 and December 31, 1971: United Kingdom, Belgium-Luxembourg, Denmark, France, West Germany, Netherlands, Hong Kong, People's Republic of China, Taiwan, Australia, New Zealand, United States.

CBC STRIKE

Question No. 244—**Mr. Orlikow:**

1. What dollar losses has the CBC experienced in terms of work done for programs subsequently cancelled or postponed as a result of the strike of CBC technicians?

2. Were any contracts for advertising cancelled on CBC radio or television as a result of the strike of CBC technicians and, if so (a) how many (b) what was their dollar value?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the CBC as follows: 1. It is not possible to make an accurate calculation as to the dollar value of work done on programs and subsequently lost because of cancellations or postponements due to the technicians' strike. Programs which have to be postponed for showing at a later date are held in inventory and when later shown represent no loss of production costs, although there may be revenue loss or gain from advertising depending on the nature of the program and the time of showing. Programs which have to be cancelled (because work on them has been interrupted and they cannot be completed), or which, if completed, cannot be shown at a later date because they become out-dated, represent a dollar loss which is difficult to calculate accurately. In some cases the expenditure on an uncompleted program is actually less than the expenditure which was budgeted for that program and an actual saving results even when the cost of the cheaper replacement program is taken into account.

To illustrate the difficulty of making an accurate assessment, the sum of $55,000 was expended on a program which had to be cancelled because of work stoppages, without any salvage values accruing from the expenditures already incurred. On the face of it this represented a production dollar loss of $55,000, but in actual fact the amount which was budgeted for this particular program was substantially greater. The uncompleted program was replaced in the schedule by a program already in inventory which cost much less than the under-expenditure on the originally scheduled program. The result was a loss of a valuable program of high quality, so far as the viewers were concerned, but in terms of the Corporation's expenditures there was a saving in dollars. Subject to the foregoing qualifications, the best calculation which can be made of the dollar value of production losses up to February 29, 1972 is less than 1 per cent of the Corporation's program production budget for the year ($1.2 million out of $151 million) and this in turn was offset in large part by

savings in wage and overtime payments not made to striking technicians.

2. As of February 29 no contracts had been cancelled. One was withdrawn before it came into effect, the amount involved being less than $10,000 (covering both radio and television).

[*English*]

MOVEMENT OF CANADIAN, UNITED STATES AND FOREIGN CONTROLLED FIRMS OUT OF CANADA AND QUEBEC

Question No. 352—**Mr. Yewchuk:**

1. For each year 1961 to 1971, how many (a) Canadian controlled firms (b) American controlled firms (c) other foreign controlled firms have moved their (i) head offices (ii) plants out of the Province of Quebec?

2. For that same period, how many (a) American controlled firms (b) other foreign controlled firms have moved their (i) head offices (ii) plants out of Canada?

3. If this information is not available, does the government intend providing it before the end of 1973 and, if not, for what reasons?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as Statistics Canada is concerned: The information requested is not available and Statistics Canada has no plans to develop such information before the end of 1973.

PURCHASES OF BARLEY BY CANADIAN WHEAT BOARD IN ALBERTA

Question No. 495—**Mr. Horner:**

How many bushels of barley have been purchased by the Canadian Wheat Board in the Province of Alberta through the elevator system each year 1962 to 1972 (until March, 1972)?

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

Crop Year	Alberta Receipts from Producers (Millions of Bushels)
1962-63	35.9
1963-64	50.0
1964-65	41.1
1965-66	37.6
1966-67	56.6
1967-68	46.4
1968-69	43.4
1969-70	74.3
1970-71	109.5
1971-72	48.9 (to Mar. 30, 1972)

CANADIAN BIRTH RATE

Question No. 508—**Mr. Mather:**

What was the Canadian birth rate in 1940, 1950, 1960 and 1970?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports as follows: The following table provides the rate

of live births per 1,000 population for the years 1940, 1950, 1960 and 1970:

Canadian Birth Rate per 1,000 Population Year	Rate
1940	21.6
1950	27.1
1960	26.8
1970	17.4

FAMILY ALLOWANCE CHEQUES—COST OF MAILING

Question No. 526—**Mr. Mather:**

1. How many Family Allowance cheques are mailed monthly?

2. What is the total postage per month for mailing such cheques?

3. Is consideration being given to reducing this cost by mailing the cheques less frequently than once a month with detachable sections of each cheque good for one month?

Hon. John C. Munro (Minister of National Health and Welfare): 1. 3,023,000.

2. $241,840.

3. It would not be practical to issue one cheque with detachable sections to cover entitlement for a number of future months for several reasons. The monthly entitlement is affected when a parent ceases to maintain a child, a child dies, a child ceases to attend school, the parent or child leaves Canada, or a new child is added to a family. The detachable sections could be lost and, in some cases, negotiated by unauthorized persons. Also, some persons would find ways and means of cashing these sections in advance, and would not have the money when it is due and needed. However close attention is always given to ways of reducing mailing and other administrative costs, and proposals such as this are reviewed from time to time.

CBC CREW ATTENDANCE AT PEARCE COMMISSION SESSIONS IN RHODESIA

Question No. 537—**Mr. Robinson:**

1. What was the cost to Canada of the CBC crew that attended the Pearce Commission sessions in Rhodesia?

2. How much film was obtained and how will it be utilized?

3. Was any report filed with the government by the CBC in connection with its attendance in Rhodesia?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the CBC as follows: 1 and 2. A CBC crew did not attend the Pearce Commission sessions in Rhodesia but some news items were provided by NBC and Visnews and these were carried by the CBC news service.

3. No.

[*English*]

PROVISION OF LIVING ACCOMMODATION FOR PUBLIC SERVANTS

Question No. 542—**Mr. Rodrigue:**

Does the government provide accommodation to public servants on duty in Ottawa, Montreal and Toronto and, if so (a) what is the total value in dollars (b) how many public servants so benefit?

Questions

Hon. C. M. Drury (President of the Treasury Board): The government normally does not provide living accommodation to any public servant within the city in which his regular workplace is located. Such accommodation is provided only in special circumstances as described below: 1. When a public servant moves to a new location, he is permitted to stay in temporary accommodation at public expense (for a period normally not exceeding 21 days) until he is able to locate and get settled in permanent accommodation.

2. A public servant may otherwise be provided accommodation in commercial facilities within his headquarters area only in very exceptional or emergency situations, which require the employee to remain close to his post for periods long in excess of normal working hours.

3. When a public servant is a participant in a conference within his headquarters area, which involves having the delegates housed under one roof for a full-time program, including evenings, then he may be provided with overnight accommodation within government conference facilities or university or college facilities; however, accommodation in commercial facilities for this purpose is excluded.

INTERNATIONAL COFFEE AGREEMENT—CANADIAN POSITION

Question No. 543—**Mr. Brewin:**

Has Canada supported the United States in refusing a proposal of the coffee producing countries within the International Coffee Organization for an increase of four cents per pound of coffee to offset the loss occasioned to them by the United States devaluation of the dollar and a further proposal accepted by some of the importing members of the International Coffee Organization to accept two cents per pound increase as a compromise and, if not, what is the Canadian position in respect to these proposed increases in coffee prices?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Canada did not support the proposals of the coffee producing countries within the International Coffee Organization for adjustments in the price ranges for coffee to offset the devaluation of the U.S. dollar for the following reasons: (a) the ICA price ranges are only trigger points at which export quotas are adjusted and, therefore, are not minimum or maximum prices directly determining producer returns; (b) agreeing to an upward adjustment in the ICA trigger points would have decreased export quotas thus reducing the amount of coffee coming on to the market and creating an artificial shortage of coffee amounting to almost 10 per cent of annual availabilities; (c) the ICA trigger points are set annually taking into account the availability of coffee which, in turn, is reflected in the level of the annual export quota established. At the time of the proposals, already half of the coffee year had passed. In August, the Council of the Coffee Organization will have the opportunity to change the trigger points for the new coffee year taking into account not only any effects of the devaluation of the dollar but also the expected level of trade in coffee for the coming year; (d) Many producing countries immediately devalued their currencies in line with the USA dollar thus offsetting any adverse effects which they might have foreseen for their exports.

[Mr. Rodrigue.]

MERCURY CONTENT PERCENTAGE TOLERATION IN FISH

Question No. 566—**Mr. Matte:**

1. Does the Department of National Health and Welfare check the mercury content in food on a continuous basis?

2. What is the content percentage tolerated in the case of fish, particularly pickerel and pike?

3. Are studies carried out with a view to accepting a higher percentage tolerance of mercury in pickerel and pike?

4. Does the government check the mercury content of imported fish on a continuous basis and, if so, in what manner?

5. Is the mercury content tolerated for pickerel and pike caught under a commercial fishing licence the same as for sport fishing?

Hon. John C. Munro (Minister of National Health and Welfare): 1. Yes. The Department of National Health and Welfare examines, on a continuing basis, a wide variety of individual food items for mercury. The Department also examines total mercury content. In addition, the Inspection Branch, Fisheries Service, Department of the Environment, examines large numbers of fish for their mercury content.

2. The Department of National Health and Welfare has established a guideline of 0.5 parts per million of mercury for fish, including pickerel and pike. Fish containing levels of mercury in excess of this amount may not be offered for sale in Canada.

3. No. However, the Department of National Health and Welfare does maintain close surveillance of studies conducted in various countries around the world on safe levels of mercury in fish and other foods.

4. Yes. Fish are checked at the point of entry into Canada by the Inspection Branch, Fisheries Service, Department of the Environment.

5. Yes. The 0.5 parts per million guideline for mercury in fish applies to all fish offered for sale.

PORT OF VANCOUVER—DEMURRAGE CHARGES

Question No. 583—**Mr. Murta:**

What was the total amount of demurrage charges paid during the 1971-72 crop year at the Port of Vancouver?

Hon. Otto E. Lang (Minister of Justice): $1,081,529.43 has been paid to May 23, 1972.

AGRICULTURE—PAYMENTS TO HOG PRODUCERS

Question No. 617—**Mr. Mazankowski:**

1. How many hog producers, in each province, received payments under the Agricultural Stabilization Act and Agricultural Products Board Act for 1971?

2. What was the total amount distributed in each province?

Mr. Marcel Lessard (Parliamentary Secretary to Minister of Agriculture): As at May 19, 1972, the situation was as follows:

1. Provinces	Producers Paid	2. Amount Paid
		$
Newfoundland	22	18,635.00

P.E.I.	711	221,450.00
Nova Scotia	228	129,585.00
New Brunswick	371	110,675.00
Quebec	3,015	1,345,910.00
Ontario	14,046	4,979,455.00
Manitoba	8,534	1,992,530.00
Saskatchewan	13,051	2,328,655.00
Alberta	10,291	2,450,215.00
British Columbia	187	56,675.00
Canada	50,456	13,633,785.00

INCENTIVE GRANTS—CANADIAN PROTEIN PELLETS LTD.

Question No. 649—**Mr. Mazankowski:**

1. Was an industrial incentive grant awarded to Canadian Protein Pellets Ltd. of Saskatchewan and, if so, what amount was awarded?

2. What was the date of application and approval by the Department of Regional Economic Expansion?

3. Was an extension for the grant requested and, if so, for what reason?

4. What was the date of application for extension?

5. When was approval of extension granted?

6. Who are the principal shareholders and directors of this Company?

Hon. Jean Marchand (Minister of Regional Economic Expansion): 1. No grant has been paid, but an offer of $215,000 has been made and accepted.

2. Date of application: December 29, 1969. Date of approval: August 19, 1970.

3. Yes, because the company was unable to acquire equipment.

4. September 30, 1970.

5. No extension was granted.

6. Information provided by business firms in the course of government investigation of proposals is on a confidential basis.

* * *

QUESTION PASSED AS ORDER FOR RETURN

IMPORTS OF LAMB AND PORK

Question No. 559—**Mr. Godin:**

During the years 1970 and 1971, did Canada import any lamb or pork and, if so (a) in what quantities of each type (b) from what countries?

Return tabled.

• (1410)

ORAL QUESTION PERIOD

NATURAL RESOURCES

OFFSHORE MINERAL RIGHTS—ASSERTION OF OWNERSHIP BY ATLANTIC PROVINCES AND QUEBEC—GOVERNMENT POSITION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the right hon. Prime Minister a question arising out of the communiqué on offshore mineral rights issued by the governments of the four Atlantic provinces and the government of the province of Quebec, asserting the ownership by those provinces of offshore mineral rights. What is the attitude of the right hon. gentleman's government in light of this communiqué and this assertion of rights by those provinces?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I did receive a telegram, of which I took notice only five minutes before coming into the House, from the premier of Nova Scotia to the effect that they had arrived at certain positions and that they would be prepared to sit down and discuss them with me. My answer will be that I of course look forward to such discussions as soon as convenient to them.

Mr. Stanfield: The communiqué indicates that there has been an assertion of rights and a claim to full benefits. I should like to ask the Prime Minister whether his government accepts the claim of the five provinces to virtually the full benefits of offshore mineral rights?

Mr. Trudeau: Mr. Speaker, I do not see anything in this telegram which refers to full benefits, though there is something on the ownership of resources. The Leader of the Opposition may be right in regard to the discussions which took place; I was not, of course, party to them. But I think there is a willingness on the part of the provinces to discuss certain federal responsibilities and, I take it, the benefits that would go with them. However, I cannot say any more than what the telegram has stated.

Mr. Stanfield: Without being controversial or provocative, may I ask my right hon. friend whether he would not agree that an assertion of ownership amounts to a claim to full benefits? It was for that reason that I asked the question.

Mr. Speaker: Order, please. I would think that question as posed is an argument rather than a question.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I have a supplementary question. In view of the fact that the question of offshore mineral rights has been under discussion for several years, may I ask the right hon. gentleman whether the government has prepared a series of proposals or counter-proposals or alternatives to the original plan regarding the formula for sharing the benefits, and will it be presented to the provinces and to the Canadian people?

Mr. Trudeau: Yes, Mr. Speaker. Since the position that we made known to the provinces in November, 1968, there

have been many meetings between the premiers and myself and between the various provincial ministers and the federal Minister of Energy, Mines and Resources. In each case we said that we were prepared to take our position as a starting point and to negotiate from it. There have been many indications of this to the provinces. Also there have, indeed, been some attempts by the Atlantic provinces to arrive at a joint position with the province of Quebec. But there has never been an indication as clear as this one that they were prepared to sit down with us and discuss, and I am very happy that this is apparently now the case.

Mr. Lundrigan: In view of the position announced publicly in the communiqué issued by the four Atlantic provinces and Quebec to the effect that they lay claim to offshore mineral rights in toto, can the Prime Minister say when we may expect a formal response from the federal government which will either accept or offer counter-proposals to the various provinces in response to their representations?

Mr. Trudeau: Mr. Speaker, I can give that assertion clearly now. We do not admit that offshore mineral rights belong in toto to the provinces. Indeed, we have some evidence from the courts that the contrary is the case, that the federal government has ownership of offshore mineral rights. However, we have been discussing the allocation of resources from these rights, and I might answer the question of the Leader of the Opposition by saying that we have never claimed that we wanted the revenue obtained from such resources in its totality. This is what we are prepared to discuss with the provinces, at their convenience.

OFFSHORE MINERAL RIGHTS—NEGOTIATIONS WITH FRANCE RESPECTING ST. PIERRE AND MIQUELON—INQUIRY AS TO AGREEMENT

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question for the Secretary of State for External Affairs. Has an agreement been reached with the government of France in respect of sharing offshore mineral rights as they relate to the territorial rights of France over the islands of St. Pierre and Miquelon?

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker.

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AIR TRANSPORT

HIJACKING—CANADIAN ACTION TO SECURE BOYCOTTING OF COUNTRIES HARBOURING SKYJACKERS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is directed to the Secretary of State for External Affairs and arises out of efforts being made today by airline pilots round the world to get something down about skyjacking. In particular, may I ask him what steps Canada is taking, either by itself or in concert with other nations, to meet the request of the pilots for the boycotting of those countries that harbour skyjackers?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we have, of course, been supporting the idea of a meeting of the Security Council in New York. Although we are not a member, as I said in the House, we would be very happy if a meeting were to be held. We ourselves have been taking initiatives in Montreal at the ICAO conference, along with the United States, trying to get some international agreement for enforcement of the conventions to which we subscribe.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

CLOSING OF CIP PLANT IN TEMISCAMING—DISCUSSION WITH QUEBEC AUTHORITIES AND BUSINESSMEN RESPECTING RE-OPENING

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Minister of Regional Economic Expansion.

Last Monday I put a question to him concerning the closing of the CIP plant in Temiscaming, about three weeks ago. Has the minister had talks with the provincial authorities respecting the establishment of new factories that the federal government would subsidize?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, as for the second question that the hon. member put to me last week, I said I had already answered it, which was not true. I apologize.

In fact, there have been no discussions with the province of Quebec, but officials of my department are in contact with the group responsible for the industrial development of the Kipawa area, and we hope we will eventually find a firm interested in operating the existing industrial plants.

* * *

[*English*]

AIR TRANSPORT

HIJACKING—CANADIAN ACTION TO SECURE INTERNATIONAL AGREEMENT ON METHODS OF PREVENTION

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I direct my question to the Secretary of State for External Affairs. In light of the fact that Donald Watson, President of Pacific Western, and directors and management of commercial airlines in Canada have supported the protest action of the International Federation of Airline Pilots today, and in light of the fact that the minister said on June 9, as recorded on page 2987 of *Hansard*, "we are trying to take whatever action we can", I should now like to ask what definite action he is taking internationally, what liaison work in particular is being done, and what inducement or even pressure the Canadian government is affecting to obtain full international agreement on a set of principles and laws which would not only bring about expeditious international crime detection but would also act as a deterrent to any kind of hijacking in the future?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, that is a very complicated question. Unless the strike of the airline pilots interferes, we intend to deposit our instrument of ratification of the international convention today. We have also been trying through ICAO to strengthen the enforcement of the conventions that now exist and to which we are party. My colleague, the Minister of Transport, could certainly give an account of the extra measures that have been taken to protect the travelling public against the possibility that hijackers may be aboard or may have some instruments in their baggage. We have taken a number of measures that I hope will be effective, although I have to say what I have said many times before, that I do not think there is any single way or even a combination of ways which could prevent hijackers from operating under certain circumstances.

Mr. Woolliams: Mr. Speaker, may I ask a further supplementary question, and perhaps I can make it a little more plain. I am looking for action rather than words. What action has the minister really taken on behalf of the government to bring the members of the Security Council of the United Nations together to get ratification of the law he has been discussing so there will be international teeth in the law to bring about a proper deterrent in reference to the crime of hijacking? That is what I am asking for rather than answers such as "I am trying to do this and trying to do that".

Mr. Speaker: Order, please!

Mr. Sharp: We are not members of the Security Council, and we could hardly force anyone to attend even if we were. It is my understanding that the Security Council is meeting today. I hope there will be useful results. I think it is equally important that in Montreal ICAO, which is concerned directly with this question, is meeting today, and I hope will carry certain proposals and initiatives now being taken jointly by Canada and the United States.

• (1420)

HIJACKING—INQUIRY AS TO IMPOSITION OF CAPITAL PUNISHMENT OR AMENDMENT OF CRIMINAL CODE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have one further supplementary which I should like to direct to the Minister of Justice. In section 75 of the Criminal Code for 1971—I believe the sections are numbered differently but I will paraphrase it—in respect of piracy on the high seas it states that anyone who commits violence and murder will be found guilty of murder, and then of course capital punishment would apply. Is it the intention either to amend the Ciminal Code or introduce amendments to the new act which has just been passed by the House of Commons and I believe approved by the Senate to see that capital punishment for violence and murder in respect of hijacking will be carried out according to the code, or is it the intention of the government to amend the section in respect of piracy on the high seas which is now outdated?

Mr. Speaker: Order, please. Perhaps the minister might attempt to reply to that question, but it seems to me that we are getting into the area of debate.

Inquiries of the Ministry

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, it is our intention to apply the law as it exists and as it has just been amended by the passage of new amendments to the hijacking provisions, and to apply them to the extent they apply. It is not our intention to bring forward further amendments in that connection.

HIJACKING—REQUEST FOR OUTLAWING OF BLACKMAIL PAYMENTS

Mr. Arnold Peters (Timiskaming): I have a supplementary, Mr. Speaker. I should like to ask the Secretary of State for External Affairs whether Canada will give leadership in outlawing the right of any airline in Canada to pay ransom to anyone as a method of preventing the hijacking of aircraft, and make this suggestion at the United Nations?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, a similar question was asked by the right hon. member for Prince Albert last week. I replied that I was very doubtful whether this would be of very much value inasmuch as, under certain circumstances we can all imagine, people would be quite prepared to break the law in order to save hundreds of lives.

* * *

NATIONAL PARKS

WOOD BUFFALO—USE OF HELICOPTERS IN ROUND-UP OF BISON—ALLEGED CRUELTY RESULTING IN DEATHS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to direct a question to the Minister of Indian Affairs and Northern Development having to do with the round-up of bison in Wood Buffalo National Park. This round-up took place with helicopters and as a consequence of the terror of the animals stampeding took place and many died. Has the minister looked into this matter and does he have any information? Is there any reason that the round-up should have been carried out in this way when it could only result in much cruelty against these wonderful animals?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have been given no details on this matter, but I will make inquiries and I will be happy to report to the House as soon as I have this information. Unfortunately, I have not yet been informed of this incident, but I will be happy to supply the information to the right hon. member as soon as it is available.

[*English*]

Mr. Diefenbaker: I have a supplementary, Mr. Speaker. The reason I asked the question is that one department of the government had pictures taken. I have them here and they show a slaughter of these animals which is totally inexcusable.

Mr. Speaker: Order, please!

Mr. Diefenbaker: Mr. Speaker, when ministers do not know they need help.

Inquiries of the Ministry

HOUSING

PROPOSED AMENDMENTS TO ACT—ALLEGED INTRODUCTION OF BILL PRIOR TO RECEIVING VIEWS OF ALL PROVINCES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of State for Urban Affairs who is responsible for housing. In view of the fact a majority of the provinces have not yet had time to respond to a request to comment on proposed amendments to the National Housing Act, can the minister inform the House why the cabinet decided, in full knowledge of this fact, at an evening meeting on Thursday, June 1, to proceed to introduce the bill in Parliament?

Mr. Speaker: Order, please. The hon. member will appreciate, I am sure, that a question asked in those terms cannot be in order.

Mr. Broadbent: I will rephrase the question. Can the minister inform the House as to the government's reason for proceeding with the introduction of the new housing legislation in view of the fact that the request that had gone out to the provinces to submit their views had not been met by a majority of the provinces.

Mr. Speaker: Order, please. It seems to me that question is inviting debate, the kind of debate that should take place if and when the legislation in question comes before the House. If the minister can reply briefly he will be recognized for that purpose, but I suggest to the hon. member for Oshawa-Whitby that his question really involves debate rather than a search for information.

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, in this case the provinces were given more details and the proposed housing legislation was discussed with them more than had ever occurred before. Many have had an opportunity to comment in detail. In addition, the hon. member's party and the Official Opposition were demanding the immediate introduction of housing legislation—

Mr. Speaker: Order, please. The hon. member may ask a supplementary question, but the reply by the minister indicates why I felt that the question really invited debate. This is what we will get, I am sure, if we pursue this line of questions and answers.

Mr. Broadbent: Thank you, Mr. Speaker, I will try to implement your stricture. In view of the fact that the new bill is essentially the same as that recommended by the hon. member for Trinity and approved by the cabinet on March 30, 1970, can the minister tell the House why we have had to wait two years for its introduction?

Mr. Speaker: Order, please. I am sure the hon. member will recognize that this question is not much better than the others—from a procedural standpoint, of course.

[Mr. Diefenbaker.]

[*Translation*]

LABOUR RELATIONS

QUEBEC—LONGSHOREMEN'S STRIKE—STATUS OF NEGOTIATIONS

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a question for the Minister of Labour.

Last Friday we discussed the longshoremen's strike and the conditions in St. Lawrence ports. I would like to ask the hon. minister if, during the intervening week end, anything new has happened. Has he been in contact with the parties involved or has he some news to give us on this matter?

[*English*]

Hon. Martin P. O'Connell (Minister of Labour): Yes, Mr. Speaker, I have had contact with the parties. This morning I sent a wire advising the parties that unless they undertook to make use of the arbitration procedure as provided by law it was my intention to appoint an industrial inquiry commission, provided the work stoppage was ended and the port was put back into full operation. I also advised the parties that I was prepared to meet them at any time at their earliest convenience to discuss these arrangements.

Mr. Stanfield: Things have matured a lot over the weekend.

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AGRICULTURE

FROST DAMAGE IN SOUTHWESTERN ONTARIO—REQUEST FOR EARLY ANNOUNCEMENT RESPECTING GOVERNMENT ASSISTANCE

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I should like to direct my question to the Minister of Agriculture. In view of his visit to the areas where crops were damaged by frost in southwestern Ontario and because of certain statements attributed to him as reported in the press, will he make an early statement on motions dealing with government proposals of financial aid to the producers of the various crops involved and stating whether loans or grants will be made now or at harvest time?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, a number of questions have been asked respecting this matter. I made no commitment. What I did was to make a commitment that we would be as helpful as possible through the people we have in research stations in various parts of Canada in assisting farmers to determine whether or not they should reseed some of these crops or take other appropriate action that would reduce the damage as much as possible.

[*Later:*]

Mr. Danforth: Mr. Speaker, I wish to direct a supplementary question to the Minister of Agriculture. In view of the fact that progress has already been made in reseeding and looking after the crops, will the minister make a statement on motions dealing with the government's proposal with regard to the financial aspect of the crop losses?

Mr. Olson: Mr. Speaker, it is quite impossible to deal with the financial losses until it is known what they are. When I was in the area last Friday everyone agreed that it was too early to assess the damage. I have, however, in keeping with the commitment I made, sent a press release to that particular area advising farmers of the services we will make available in addition to those already there, in order to be helpful immediately in this situation.

SURPLUS HENS REDUCTION PROGRAM—REQUEST FOR STATEMENT IF QUOTA EXCEEDED IN VIEW OF PRICE DROP

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, I have a supplementary question. Will the minister make a further statement on motions relative to the surplus poultry program? If the quota for the removal of a million surplus hens from production is exceeded—

Mr. Speaker: Order, please. I have some doubts about this being a supplementary question. It is supplementary in the sense that it is addressed to the same minister, but not much more supplementary than that. I hesitate to interrupt the hon. member in view of the fact he has already asked half the question. Perhaps he might be allowed to ask the other half now.

Mr. McCutcheon: I assumed it was supplementary because we were both asking for statements from the minister. If the quota for the removal of one million surplus hens from production is exceeded, and present indications point that way, will the minister make a further statement covering this aspect in order to stabilize the market in view of the drop of two to two and a half cents per pound in prices now being offered by processors?

• (1430)

Mr. Speaker: Order, please. My suggestion to the hon. member is that the supplementary or related question is hypothetical.

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THE CANADIAN ECONOMY

FOREIGN OWNERSHIP—INTENTION RESPECTING INTRODUCTION OF REQUIREMENT THAT MAJORITY OF MEMBERS OF BOARDS OF DIRECTORS BE CANADIANS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. As the Minister of National Revenue, speaking in Toronto on Friday, described as "a good first step" the Ontario government's newly announced policy to require all foreign-owned corporations operating in Ontario to have a majority of the members of their boards of directors as Canadians, is it the intention of the government to introduce a similar measure for all such companies operating in Canada?

Right Hon. P. E. Trudeau (Prime Minister): We would let the House know, Mr. Speaker, if it were around, when we took any further steps in this regard.

Inquiries of the Ministry

Mr. Hees: Thanks for the non-answer. I have a supplementary question. As the Prime Minister stated the other day that he would hold Members of Parliament responsible for holding up the foreign investment in Canada bill past the end of June, who does the Prime Minister intend to hold responsible for the year the cabinet wasted in fiddling and diddling over the Gray report before it arrived at a non-policy?

Mr. Speaker: Order, please!

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YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—REASON FOR DISMISSAL OF CHIEF OF INFORMATION SERVICES IN ONTARIO

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Secretary of State but in his absence I will direct it to the Acting Secretary of State, or possibly the Prime Minister might know—the fountain of knowledge. Can the hon. gentleman advise if Mr. Norman Severud, the $14,000 a year chief of information services for the Opportunities for Youth program in Ontario and summer employment, 1972, was summarily dismissed last Friday, and was his dismissal because he was made the scapegoat for several projects that went sour and received adverse publicity in the press?

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, I will take that question as notice on behalf of the Secretary of State.

Mr. Baldwin: Mr. Speaker, would the minister ask the Secretary of State to make a statement on the matter in the House at the earliest possible moment and include in that statement an explanation of why this federal government employee was dismissed by John Watkinson, who is not a federal government employee but is a member of a public relations firm in Toronto which has a very close association with the Liberal party?

Mr. O'Connell: Mr. Speaker, I will draw this representation to the minister's attention.

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CONSUMER AFFAIRS

FOOD PRICES—REQUEST FOR INVESTIGATION IN LIGHT OF POSSIBLE FURTHER INCREASES

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. In view of reports that United States food chains are forecasting further price rises, and because Canadian food prices invariably follow American prices, is it the government's intention to investigate this situation and take steps to deal with it?

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): Mr. Speaker, the general aspect of food pricing in the supermarkets is under constant review by my department.

Inquiries of the Ministry

Mrs. MacInnis: In view of the fact that Statistics Canada reports wide variations in food prices among Canadian cities, with western cities higher than the rest, will the Minister of Corporate Affairs look into this matter so as to ensure that every Canadian from coast to coast will get a fair break from the food chains?

Mr. Andras: Mr. Speaker, I am not sure that variations in prices from coast to coast do not represent some form of food store competition, but I will be glad to take the hon. member's suggestion under consideration.

Mrs. MacInnis: Mr. Speaker, if the minister is inhibited in investigating the situation as Minister of Corporate Affairs, would he look into it as Minister of Consumer Affairs?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please!

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PRICES AND INCOMES COMMISSION

TERMINATION AT END OF JUNE

Mr. A. D. Hales (Wellington): Mr. Speaker, I wish to direct a question to the Minister of Consumer and Corporate Affairs. Is the Prices and Incomes Commission to be disbanded at the end of June?

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): Mr. Speaker, the hon. member is addressing his question to the wrong minister. I do not have responsibility for the Prices and Incomes Commission.

Mr. Hales: Then may I address it to the Minister of State for Urban Affairs. I assume the responsibility has remained with him. Is the Prices and Incomes Commission to be disbanded at the end of this month?

Hon. Ron Basford (Minister of State for Urban Affairs): Yes, the commission itself, but it may be necessary to keep on a small group.

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EXTERNAL AFFAIRS

PROPOSED NUCLEAR TEST BY FRANCE—WHEREABOUTS OF "GREENPEACE III"

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. Can he advise whether he has definite word that the French government, in the face of world criticism, is proceeding with its scheduled nuclear test, and can he also advise whether the government has any information on the whereabouts of the *Greenpeace III* and its fine, public-spirited crew?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, it is my understanding that the nuclear test is scheduled to begin in the Mururoa Atoll zone at 8 p.m. tonight, eastern daylight, time. We are not quite sure whether it will take place as scheduled because meteorological conditions may not be favourable. I regret very much that this is taking place despite the representations we have made and that many other countries have made. It is our hope that the French government, notwithstanding this particular test, if it proceeds, will join with the rest of the world in trying to stop all nuclear tests both in the atmosphere and underground.

Mr. Macquarrie: Would the minister direct himself to the other part of my question regarding those fine people of the *Greenpeace III*?

Mr. Sharp: Yes, Mr. Speaker. As I understand it, the *Greenpeace* is somewhere in the area.

Some hon. Members: Oh, oh!

Mr. Hees: That is about as close as you fellows ever come.

Mr. Sharp: This is not a Canadian ship. It is not registered here. It does not carry our flag. It is very difficult for us to keep track of a ship sailing under some other flag or some other ownership. We understand there is a Canadian aboard, and of course I do hope the ship is not going to get involved in the explosion and that the necessary steps will be taken to see it is removed from the area.

Mr. Speaker: I believe the hon. member for Saskatoon-Biggar has a supplementary to the previous question.

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COMBINES

INVESTIGATION OF ALLEGED PRICE-FIXING BY FERTILIZER COMPANIES

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I wish to ask the Minister of Consumer and Corporate Affairs whether, in view of the information he received from the National Farmers Union alleging price fixing among fertilizer companies in Canada, any investigation is under way into the allegations that have been made?

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): Mr. Speaker, if these allegations have in fact foundation, then the director of the anti-combines investigation section will carry out his duties in that regard.

Mr. Gleave: Mr. Speaker, what I am really asking is whether any investigation is under way. I will put this question to the Minister of Agriculture. As I have made some attempt to satisfy his request for further information, has he initiated any investigation into this matter?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, if the hon. member wants to have a matter investigated respecting price fixing or violations of the anti-combines legislation he knows that the action he referred to a moment ago is the proper procedure.

EXTERNAL AFFAIRS

PROPOSED LAW OF THE SEA CONFERENCE—DISCUSSION WITH DELEGATES TO UNITED NATIONS ENVIRONMENTAL MEETING—SETTING OF DATE

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. Now that the United Nations conference on the human environment has terminated at Stockholm, would he state whether any discussions were held among the delegates in attendance with regard to the 1973 law of the sea conference and, if so, would he indicate whether any date has been set for this important conference?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I have not had any reports to that effect, but the Minister of the Environment will be home soon and I hope that he will give us all an account of the very successful efforts he has made on behalf of Canada.

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PRICES AND INCOMES COMMISSION

INQUIRY AS TO TABLING OF FINAL REPORT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Minister of State for Urban Affairs with regard to the report of the Prices and Incomes Commission. From time to time questions have been asked about it. Can the minister now give us an approximate date when we may expect this report to be made public?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, it will be made public very soon.

Mr. Knowles (Winnipeg North Centre): Will it be worth publishing?

* * *

• (1440)

OIL

PROPOSED TAPS TANKER ROUTE—RESPONSE TO REQUEST TO UNITED STATES TO JOIN IN REFERENCE TO INTERNATIONAL JOINT COMMISSION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I should like to put a question to the Secretary of State for External Affairs. Has he received any reply to the letter he sent to Secretary of State Rogers asking the United States government to join with the Canadian government in a reference to the International Joint Commission concerning the Valdez to Cherry Point route for the shipment of oil?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, on June 16 I received a reply and to my disappointment, and I am sure to the disappointment of the hon. member and all members of the House, the United States has rejected the Canadian proposal for reference of these problems to the International Joint Commission. However, the United States government has indicated that it is prepared to discuss the matter further in a committee on trans-border environmental problems which involves, on the United States side, the chairman of the Council on Environmental Quality and, on the Canadian side, the Minister of the Environment. The United States has suggested that the agenda for such meeting could include consideration of the problems put forward by Canada in proposing the reference to the International Joint Commission. Under the circumstances I believe we should accept this offer since it will get the question discussed between ministers and officials of the two governments.

Mr. Douglas: In view of the disappointing nature of this reply I should like to put a supplementary question to the right hon. Prime Minister. As his discussions with President Nixon indicated that the latter was favourably disposed toward such a reference to the International Joint Commission, would the right hon. Prime Minister be prepared to take up this matter personally with the President of the United States?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe the hon. member is wrong in saying that I suggested that President Nixon was favourable to that approach. What I said was that we put that position to him and he said he would consider it. Furthermore, I do not see why the hon. member assumes that it is a disappointing response. Surely it is results we want. I do not see why the hon. member is so concerned about the form provided it produces the right effect.

Mr. Douglas: May I ask why I have not the right to be disappointed while the Secretary of State for External Affairs has the right to be disappointed?

Mr. Trudeau: Because the Secretary of State for External Affairs has much higher standards than the hon. member.

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MANPOWER

ADULT VOCATIONAL TRAINING, CAPE BRETON—POSSIBLE PROVISION OF FUNDS FOR NEW INSTITUTE BY DEPARTMENT OF REGIONAL ECONOMIC EXPANSION

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Minister of Regional Economic Expansion. In view of comments within the past few days regarding the necessity for a new institute of adult vocational training in Cape Breton and in view of the discomfort and problems faced by the students and teachers in that area and in the present building, can the minister advise whether DREE is going to fund a portion of this school or would he have that information available at the present time?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, if we ever do it it will be at the request of the Minister of Manpower and Immigration who has authority over adult training programs.

Mr. Muir: I want to thank the minister for clarifying the situation with regard to that point at least. May I ask the

Minister of Manpower and Immigration the same question? Is he in a position to cast some light on this very interesting subject?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, first of all I should like to get the written assessment of the hon. member as to exactly how dilapidated are the conditions under which these students are forced to study in order that I may assess the situation properly and decide whether I should make a recommendation to my colleague.

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AIR TRANSPORT

MANITOBA BILL IMPOSING TAX ON OVERFLIGHTS ACROSS PROVINCE—GOVERNMENT ACTION TO MAINTAIN FREE USE OF AIR SPACE

Mr. E. B. Osler (Winnipeg South Centre): Mr. Speaker, on May 15 I put a question to the Minister of Justice regarding Manitoba's Bill 21 and he said he would look into it. Can he now cast any light on this cloudy and ominous threat to the free passage of Canadian citizens and Canadian goods from one part of our country to another?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I do not have any final position to give to the House at this point.

Mr. Osler: Mr. Speaker, has any major Canadian airline advised the minister that it intends to challenge the constitutionality of some aspects of this bill as it seems to impede their ability to service the country?

Mr. Lang: I do not believe we have received any such communication, Mr. Speaker.

* * *

REGIONAL ECONOMIC EXPANSION

ANNUAL REPORT OF CANADIAN COUNCIL ON RURAL DEVELOPMENT—ACTION ON RECOMMENDATIONS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. Does he intend to act on the recommendations contained in the annual report and review of the Canadian Council on Rural Development which was released last Friday, specifically on the recommendation calling for greater provincial input in departmental planning, or does he intend to continue ignoring this important submission?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I do not mind the last part of the question. As to the first part, we are now studying those problems with the new government of Newfoundland. The studies are going very well and I hope we will find solutions to all the problems.

Mr. McGrath: Has the minister in fact studied the latest annual report of the Canadian Council on Rural Development, and does he intend to act on any of the recommendations contained in that report?

[Mr. Muir.]

Mr. Marchand (Langelier): Mr. Speaker, I have read the report and now it is being studied in the department. I do not run this department alone.

Mr. McGrath: That is obvious.

Mr. Marchand (Langelier): That is obvious and it is good because I believe in democracy and I believe in the civil service, which the hon. member does not seem to. We are dealing with the government of Newfoundland and I think they are much more amenable than the hon. member.

* * *

IMMIGRATION

REQUEST FOR STATEMENT ON PROPOSED ADMINISTRATIVE AND LEGISLATIVE CHANGES

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Minister of Manpower and Immigration. In view of the public concern in respect of the administration of the immigration laws, which the minister apparently shares, would he make a statement on motions outlining the changes in the administration and in the legislation which he proposes to clear up this situation?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, I said last week that I would not be bringing forward legislation until this fall but I would be bringing before the House on motions some time later this week administrative changes to deal with the growing backlog of cases at the special inquiry officer stage.

* * *

REGIONAL ECONOMIC EXPANSION

ARGENTIA TASK FORCE—INQUIRY AS TO REPORT

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. Can the minister tell the House whether a report has been received by his department from the Argentia task force? I am asking this question in light of a similar question put to the minister last December and also during the recent meetings of the standing committee—

Mr. Speaker: Order, please. Perhaps the hon. member might allow the minister to reply to the first question.

• (1450)

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I believe we have received these reports; we have taken several decisions about this area in Newfoundland, but there is nothing more we can do for the time being.

[*English*]

The Argentia task force is over and now we are studying with the government of Newfoundland what we can do in order to help these people.

Mr. Carter: Can the minister say whether a report has been filed since the one dated November, 1971, I believe?

Mr. Marchand (Langelier): I think there was another one, Mr. Speaker, but I should like to check before giving a definite answer.

* * *

GRAIN

EFFECT OF LONGSHOREMEN'S STRIKE ON SHIPMENT

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the minister in charge of the Wheat Board. What success has the minister had in dealing with the problem of moving grain in view of the Montreal port strike, and will the strike result in a significant delay in deliveries of Canadian grain, estimated to be as long as five months by the head of the Wheat Board?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the other ports in the eastern region are going all out to try to handle shipments of grain which are scheduled. The result of not having Montreal and other facilities available has meant some significant delays in the rate at which vessels are loaded at other places, but so far they are being loaded. One would hope that the ports will be back in operation and that we can catch up fairly promptly with the very high level of orders.

* * *

HEALTH

SUGGESTED INCLUSION OF HEALTH WARNING IN PRINTED ADVERTISING OF CIGARETTES

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Having in mind the recent decision of the United States federal trade commission requiring that in all advertising of cigarettes published in the print media there shall be included a very definite health warning, has the minister given consideration to a similar requirement in Canada?

Hon. John C. Munro (Minister of National Health and Welfare): Yes, we have, Mr. Speaker, although as the hon. member is aware we do have a warning of a different nature from that in the United States. There is a warning now on every package.

NATIONAL PARKS

POSITION OF NEGOTIATIONS WITH ONTARIO FOR DEVELOPMENT OF NEW PARK IN GEORGIAN BAY AREA

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development and concerns national parks. What progress has been made in the negotiations with the province of Ontario for the development of a new national park in the Georgian Bay area?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I thank the hon. member for his interest in this problem, but unfortunately I cannot report any progress at this time with regard to these negotiations.

The provincial authorities are taking into consideration the proposal we put to them and we are waiting for an answer.

[*English*]

Mr. Speaker: Orders of the day.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. May I say that there have been discussions among House leaders regarding the length of speeches for today. Initially, it is our proposal that there be no change from the provisions of Standing Order 58(13). However, I wish to reserve the right to suggest a shortening of speeches later in the day if that should become necessary. To begin with, the rule will apply, and it is understood that no one will ask for overtime.

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED FAILURE OF GOVERNMENT TO PRODUCE PROGRAM TO DEAL WITH UNEMPLOYMENT AMONG YOUNG PEOPLE

Mr. Lorne Nystrom (Yorkton-Melville) moved:

That this House regrets the failure of the Government to produce a comprehensive and coherent program to deal with the growing unemployment among our young people and its disregard of youth's legitimate aspirations.

He said: Mr. Speaker, the motion that we have presented to the House today deals with the question of high unemployment among the young people of this country. We are primarily concerned with the high unemployment among young people under the age of 25.

First, I must say that in Canada we have the unfortunate record of having the highest unemployment rate of any industrial country. Naturally, when you have such a high unemployment rate, you are going to have a very, very high unemployment rate in groups such as the young people of this country. The government should be ashamed of this. Indeed, it is not acceptable for Canada to have such a high unemployment rate when this country

has so many resources, technology and educational skills among our people.

When you analyse the employment statistics, you find that the rate of unemployment among the young people of this country under the age of 25 is about twice as high as the unemployment rate among Canadians in general. I suggest that this is a very serious problem. It is something to which we must address ourselves. There are not many excuses which the government or the minister can put forward. We are tired of empty rhetoric. Now is the time for action.

We all realize that there are some problems. We realize that there are a lot of young people hitting the labour market. In spite of that, we must look at the feelings and realities behind the statistics. Over one quarter million young people under the age of 25 in this country are unemployed. No rhetoric in the world can cure this. What we need is action. We need policies to face this very important problem.

At the outset, I wish to read a couple of very short paragraphs from a report that was prepared by the Canadian Council on Social Development as a result of their study of the problems of young people. I quote the last couple of paragraphs. In summary, I believe they set the tone for the debate I am trying to precipitate this afternoon. The Report of the Canadian Council on Social Development reads:

> The choice for Canadians is between tinkering with existing programs for the wrong reasons, or embarking on new ventures in policy made imperative by the transitory nature of society and our inability to cope with present difficulties.
>
> This study of youth applying for social assistance illustrates the need for many reforms in the policies, practices, and programs of our social welfare system. But we believe that even more important is recognition by a greater proportion of the general public that the private market economy in its present state cannot by itself provide youth with the opportunities they seek for self-fulfilment, constructive contribution to, and meaningful participation in Canadian society. Acceptance of this premise will demonstrate the need for a comprehensive and integrated approach to policy formulation and implementation encompassing all levels of government and the major social systems—education, manpower, welfare, plus the major institutions of the private market sector.

I think that the approach being used by the Canadian Council on Social Development is one that is on the right track. What we really need are some new approaches and some new values. We cannot rely on the conservative status quo we have been following in the past. Obviously, the approaches we have been taking have been failing. All you have to do to realize this is to look at the statistics. We have many unemployed young people who are totally frustrated and alienated because of the type of system we have in this country. If we look around us, we see that life is rapidly changing each and every day. Technology is far outstriding the change in our social and economic institutions. It is about time that our social and economic institutions caught up with the technological part of our society. We must not just repair the old ship. What we need is a new ship. If we are going to solve this problem that is facing so many Canadians, particularly those under the age of 25, we need a new direction.

According to the latest report from Statistics Canada, the unemployment figures for May are startlingly high. There were 552,000 Canadians unemployed. Of this number, almost half were under the age of 25. Some 269,000 young people under the age of 25 are unemployed today. This represents 48.7 per cent of the total unemployed in this country. In other words, nearly half the unemployed people in this country are under the age of 25. A large segment of our unemployed is composed of young people between the ages of 14 and 24, but they only make up 26 per cent of the total work force. As you can see, proportionately the rate of unemployment among people is twice as high as it is among Canadians in general. The government must face up to this fact and bring new policies forward in order to cope with the problem.

The rate of unemployment among the young people in this country has been increasing. In May of this year, approximately 13 per cent of young people on the work force between the ages of 14 and 19 were unemployed. Between the ages of 20 and 24, 10.2 per cent of the young people were unemployed. I want to emphasize that these figures do not take into consideration the fact that a lot of the university and high school students are seeking jobs. All you have to do to realize this is to go back to the statistics for the month of January when students were in school. In the month of January this year, 16.6 per cent of the work force between the ages of 14 to 19 were out of work and 11.1 per cent of the work force between the ages of 20 and 24 were out of work. The number of unemployed youth has grown drastically over the past few years.

I wish to refer to one more statistic. In 1966, 6.2 per cent of the young people under the age of 25 were unemployed. The figure for 1972 is 11.5 per cent, thus it has almost doubled in a period of seven years. The situation we are now faced with is indeed serious. In many cases, the young people who are unemployed are just starting a new life, getting married and raising a family. These people do not have jobs. They do not have an adequate income which would enable them to supply good housing, clothing and food for their families. Indeed, this starts off a whole cycle of poverty, financial poverty as well as social and cultural poverty. The children of these families may follow the same route.

Although I do not want to spend too much time on this, the situation facing students in this country is very serious. According to the Department of Manpower, in 1971 there were 1,184,000 students in this country seeking work. Out of that total, there were 212,000 who did not find a job. They could not find a summer job of any sort. Many of those who did, could obtain only temporary or part-time jobs, or else some work which brought them only minimum wages and kept them at a bare subsistance level. As a result, many students were unable to return to university last fall. We find that even those who completed their university education are experiencing difficulty in obtaining employment of the kind they believed they would obtain when they entered university. We found examples of men with Ph.D degrees driving taxis, students with masters degrees working as clerks or secretaries. In the *Finance Times* of May 29, it was stated that 20 per cent of those who graduated from the University of Toronto this year will not have found jobs by the end of 1972. The article suggests that even this figure may be misleading because half of these students might drop out

of the labour market or return to university to continue their studies there. So, the figure might be 40 per cent.

• (1500)

We should remember, too, when we are talking about jobs, whether for students, graduates or young workers, in all too many instances, women are discriminated against. The report of the Royal Commission on the Status of Women emphasizes this fact. I should like to urge the government, once again, to take action on the recommendations contained in this report, because there is continuing discrimination against women in many sections of our society solely on account of their sex, without account being taken of their knowledge, experience or ability. It makes me angry to hear the old Elmer Fludds in this Parliament refusing to recognize the fact that women are discriminated against in our work force and in our society generally. I could give hon. members dozens of examples from my own University of Saskatchewan showing how hard it is for women to find jobs. Many of those who do succeed in finding work must take low paid jobs as waitresses or secretaries, receiving only minimum wages. The government must take action to improve this situation as soon as possible; we are already years late in reforming our system.

Mrs. MacInnis: Hear, hear!

Mr. Nystrom: The result of the situation I have been describing is this: students are increasingly questioning the validity of the university system. I remember, back in the 'sixties, we were told: If you go to a university you will have a guarantee for life that your income will be higher; you are likely to get a much better job than others; you will find it far easier to raise your family properly. Today, we find this is not true, at least with respect to many of those who are leaving our universities, and old values are being shot down as we find university graduates, those with M.A. or B.A. degrees, failing to find jobs, or finding jobs they could have filled without going to a university at all. As they look across their backyards or alleys they see some of the people who dropped out of school, perhaps holding down a unionized job and making between $10,000 and $12,000 a year while they, with their university education, are not making as much. As I say, many young people are questioning the value of the university system today.

Many universities are becoming increasingly elitist. The Conservative government in Ontario has just increased education fees. This makes the universities more elitist. Most of the students who graduate as lawyers or doctors and business executives come from upper middle-class families. It is almost as though they inherited a medical or legal degree. The chances are that their fathers and mothers were involved in those professions; they had access to a lot of money; they were brought up in the proper milieu when they were going through the school system. Anyone who has studied social psychology knows that young people are influenced by their environment, their families, the books they have in their homes. It is obvious that access to an expensive university system tends to be limited to the sons and daughters of the wealthy. It is they who will enter universities and succeed in finding the better jobs. It is time we got down to grass roots issues and put into force policies relevant to the working class people of this country, the young farmers, the average young citizens of Canada. It is time we got away from old policies which are obviously failing, given the fact that half the unemployed are under the age of 25.

Look at some of the answers we have been given by the Liberal government. Many of them have been short term answers. Some have been mere tokenism. Other have been patronizing. Obviously, they have failed. Some have been good.

A few weeks ago the Minister of Manpower and Immigration (Mr. Mackasey) introduced amendments to the Manpower Training Act reducing the number of years during which a person had to be in the work force in order to qualify for benefit under the act, from three to one. This is a good move, a step forward. It is a move many of us have been suggesting for years, along with representatives of organizations concerned with young people.

But consider the Opportunities for Youth program. Many of us believed the concept was a good one, one which enabled young people to submit to the department programs in which they were interested, created their own jobs and carry out their own administration. In practice, what has happened has been this: the jobs have gone to the students who do not really need them. That this is the case is apparent from the findings of the Cohen Report. Many of the jobs have gone to the sons and daughters of the upper middle-class. These are the young men and women who are best able to fill in application forms; it is they who have the right contacts and who can afford to gamble because they always have father's bank account to fall back on. As I say, the government realizes this. I am suggesting that hon. gentlemen opposite do something to make sure that jobs created by the Opportunities for Youth program go to those who really need them, not to those who don't.

In this connection, I should also like to mention the travel exchange program and the travel grants. Again, many of these grants go to people who do not really need them; they go to people who would be working or doing something in any case. A press release issued by the Department of the Secretary of State on May 25 announced two travel grants to youth orchestras in Alberta. I have nothing against youth orchestras or the work they may be pursuing, but I question the validity of grants being made in such a direction. In this connection, I quote from the press release.

> Grant of $11,375 to the Edmonton youth orchestra for visit, July 22 to August 17, of 100 of its members to Lausanne, Switzerland, for two-week stay, and then travel to Germany and Austria.

The orchestra will, of course, be giving concerts, and it will travel to Germany and Austria. The second grant, of $7,500 has been made to the Calgary youth orchestra; 75 students will take part in a concert tour of England, Germany and Holland from July 2 to August 1. Rather than spend money in this way, it might be better to grant money to people who will be remaining in the country, people who really need it to feed themselves and, perhaps, go on to receive university or post-secondary education at some future date. Despite these programs, not only are more people unemployed and living in a situation of eco-

nomic stress, but increasing numbers are becoming frustrated, adding to the tension we find, especially, in our larger cities. Unless we take some corrective measures soon, we are going to have more and more violence in the years that lie ahead. Obviously, we must search for more solutions.

• (1510)

There are people in the country who tend to give up, who tend simply to go on welfare because they have been unable to find a job, and there is no other choice for them. They find themselves in a system that encourages them not to find work or to have any motivation for finding work. Then again, we have some of the older people in society who like to criticize our young people for being lazy. They criticize their standards, the fact they let their hair grow long or the fact they challenge the norms of present day society. Something must be wrong with a society in which our young people do this, and which forces them into the situation they are facing. I suggest we have to act and to act soon. If we do not, we will have more and more of our young people saying that any value placed by society on institutions is irrelevant, that society must be changed. Perhaps others will declare that they must resort to violence, and this is what I do not want to happen.

Much of this reaction would be prevented if we had programs that provided work for our young people, which gave them something meaningful to pursue in their lives and in the lives of their families. This is why there are a number of suggestions that I want to make. I am repeating suggestions that have been made by this party, by the Canadian Council on Social Development and various other institutions. In talking about unemployment among young people, you cannot divorce it from general unemployment in this country. The important reason there are so many young people unemployed in Canada today is that there is so much general unemployment. The economy is not operating correctly, and I suggest there is no excuse for this. There is no reason for over half a million Canadians being unemployed. No rhetoric or excuse can justify that.

If we are to solve youth unemployment, we will have to start the economy rolling again, and there are a number of ways of doing this. First, we have to solve the problem of foreign ownership. We need more research and development. Many of our graduates go through university but are then unable to find work. Obviously, this research and development is not going to be done if parent plants are not located in Canada. We will have to locate them in Canada if we want to create more jobs in this country.

If I may turn now to something more specific, I should like to detail some of the things that can be done for our young people. I suggest we put more emphasis on on-the-job training so that our young people, regardless of their educational background, receive training on the job. This is very important. Sometimes people have to be retrained three or even four times during their lifetime, especially in a fast-moving technological society. Some of the regulations have to be much more flexible if people are to qualify for training courses of this kind. On-the-job training is relevant today, and is something that should be emphasized a great deal more than it is.

[Mr. Nystrom.]

Second, if we are to continue the Opportunity for Youth program, opportunities for youth should be directed more to those who really need those opportunities. Perhaps more importantly, Opportunity for Youth programs or similar programs should be brought in for non-students, for the working class or young farmers, or for those young people who want to start up a business, and so on. Only 9 per cent of the jobs provided through OFY go to non-students. If we continue this program, we must have a similar program for those who are not students.

I also think we will have to have more programs for young people starting farming. In my province and across the country I am told that the average age of farmers is about 57. I think this tells us a great deal about rural Canada. We will have to offer more training for your young rural people, with interest free loans and similar financial help, if we are to provide jobs for our young people in rural Canada.

Then, we will have to do more for young married couples. Many of these young couples are in very severe economic straits and need to be helped. My colleague, the hon. member for Vancouver-Kingsway (Mrs. MacInnis) has already mentioned that day care centres should be readily available. We should spend more money on day care centres rather than giving gifts, write-offs and tax concessions to the rich corporations of this country. Day care centres provide our young women with an equal opportunity to go out to work or to pursue what they wish to pursue. In addition, there should be more public housing and a greater availability of loans at low interest rates so our young couples can make a better beginning as they enter their working life.

Then, we must have such programs as early retirement for our older people. I do not see why our older people should not have the chance to retire and to draw benefits from security plans, such as the Canada Pension Plan and the Old Age Security Act at the age of 60. If that were the case, we would open up a whole series of new jobs for our younger people, and it would enable our older people to pursue a more interesting life.

These are some of the things that can be done, so we are making these concrete suggestions today. We will have to do some of these things if we want to find work for a quarter of a million young people who are unemployed today. There is no excuse for this number of unemployed. If we do not do something about it, the situation will snowball; it will worsen and we will then be faced with many more serious social problems. I trust that when the minister speaks he will reply to some of the points that we are going to raise, and will explain to us why the government is not pursuing some of these ideas. Perhaps he will announce new programs that he may have for this quarter of a million young people who are unemployed. They are a very important part of this country and they need jobs as much as anyone else. With that I conclude by once again emphasizing that unemployment is a very serious problem that we cannot overlook, one that will have serious repercussions for the future if we do not act now.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, first of all may I congratulate my colleague to my left for introducing this motion which is a very succinct one, very much to the point, and perhaps one of the most important

motions that will be debated in the remaining part of the session.

If I recall correctly from my limited knowledge of history when Alexander the Great was causing great devastation militarily a number of centuries ago, he spared one city because the city fathers indicated to him through an envoy that they were prepared to give him anything in the city with the exception of their young people. Alexander the Great replied that anyone with that kind of attitude, anyone who had that kind of foresight, did not deserve to suffer a military attack. That was the reaction of Alexander the Great.

Today we have "Pierre the Great", the Prime Minister (Mr. Trudeau), who has quite a different attitude. If I can quote the Prime Minister, who was speaking in London, Ontario on November 11, 1971, he said:

> Isn't it true that perhaps more and more people are turning away from the work ethic . . . And some of them are unemployed, but their life is more meaningful being unemployed—that's their judgment—than somebody else who works a 40-hour week and produces something which in their judgment is of no use to society and perhaps may even be of negative use—

The Prime Minister is claiming that our young people are turning away from the work ethic, that in fact they rather enjoy being unemployed, that they do not aspire to be creatively employed but are enjoying life just lying around in various parts of the country. As someone has just indicated to me, Pierre the Great should heed the lesson of Alexander the Great. I think the Prime Minister was correct when he said that young people today and people generally would question whether in fact work should be defined as only the creation or production of material wealth. I agree with him in that, but think he is very much out of touch if he still thinks young people in Canada today are satisfied to be on the unemployment roll and wandering across this country in search of jobs. That is certainly not the attitude of the young people I have talked to in the last several months. As a person who has been actively involved with a number of young people across Canada, and as a Member of Parliament talking to those who visit here, I have been very impressed with the attitude of young people as far as future employment is concerned. I suggest that today the greatest significant effort of our young people is the endeavour to find employment. They are as concerned as any age group about becoming productively employed.

• (1520)

One of my colleagues to my left has indicated the statistical problem in some detail. In the last several months I have been accused of emphasizing the statistics of unemployment to a greater extent than I perhaps should, so I will leave that matter as it now is on the record. The hon. member indicated the number of young people in the age group from 14 to 24 who are looking for work, and has also indicated the national average in respect of employment of those under age 24. He has referred to the 30,000 jobs created under the Opportunities for Youth Program, and emphasized the fact that we have spent some $30 million. He indicated that approximately two million Canadians, and the figure 1.8 million is quoted frequently, between the ages of 14 and 25 years are looking for employment.

Unemployment among Youth

What concerns me much more than these statistics and the impact of our economy on these young people, is the fact that from the first day they enter school, that is from kindergarten through the entire educational system, they are urged by their parents, their teachers, their community leaders and their governments to strive to reach that great plateau when they have gained an education and can enter constructive fields. However, there are tens of thousands of young people in this country who have gained university degrees, graduation from technical trade schools and various colleges and high schools, who find themselves frustrated in an unfriendly economy in which they cannot find employment. I think these unemployed young people represent the most serious component of the problem we are discussing today.

I am not going to become involved in a long discussion of this problem, but I could spend a great deal of the next few minutes talking about the magnitude of it and quoting examples of the devastating effect unemployment has on these people. I could quote examples of representations we have received in recent weeks from urban groups, especially those in Toronto, but perhaps I should move on to a discussion of the responsibilities and where they lie, with some elaboration of the suggestion made by my colleague.

We must take first matters first. The fact of the matter is that the problem of unemployment among young people can never be considered totally a government problem. The government should recognize this fact. Regardless of what type of program it adopts, including the Opportunities for Youth program, there is no way this problem can be resolved by purely narrow government involvement. The government must acknowledge the fact that we have to consider the total economy. It must recognize that unless we get industry more actively involved in an effort to create employment for young people we will continue for the next several years with a very heavy degree of unemployment among young people.

In its haste to create a favourable political climate by bragging about the Opportunities for Youth Program, the government has failed to recognize the problem, and has overlooked the importance of getting the economy moving. The government should make more effort to get industry involved. It should provide some kind of incentive to industry to show how worthwhile it is to employ young people. I firmly believe the federal government has never really paid enough attention to the federal-provincial-municipal aspect of this situation. The federal government announced the Opportunities for Youth Program without any consultation whatsoever with the provinces. The province of Ontario, the province of Alberta and other provinces have brought in their own programs and if I can judge by comments made publicly, there was never any great effort to integrate these policies and programs.

I would hasten to add that the federal government is not totally to blame. Certainly, all three levels of government must be brought into play if we are to have a significant impact. The first thing that must be said is that the Opportunities for Youth and the Local Initiatives Programs must undergo very serious re-evaluation. We are talking about 30,000 jobs and about literally hundreds of groups

of young people who have had projects and programs rejected. I suggest they have not fully understood the criteria. Other groups in other communities have had similar projects accepted. The frustration and anxiety caused by this type of activity on the part of the government can in many cases make these programs more destructive than useful.

The fact of the matter is that rural parts of Canada, particularly small communities, have received a great deal less benefit and less opportunity under these government programs. They have less opportunity to become involved in these activities. The hon. member also referred to the lack of opportunity for young people from poor families. It certainly is a fact that very few people from poor families really understand the power structure in order to take advantage of these types of programs. This situation certainly must undergo serious scrutiny.

We must give credit to the minister for his forward looking attitude in respect of manpower programs and for his introduction and passage of the bill which eliminated the three-year requirement of involvement in the labour force. There are many areas of our manpower programs that could be amended to help young people, and one is the 52-week maximum time for upgrading skills. An individual can go to an upgrading school, but after 52 weeks, regardless of whether he has completed his program, he is dumped out. That is one thing that ought to be changed in this type of manpower training program.

We must look as well at the idea of taking these young people from manpower training programs and somehow integrating them into the economy. There is no point in putting people into manpower programs, going through the expense of training them, and then dumping them into an economy in Canada in which there is no opportunity. In many cases, the government has been more interested in taking people off the unemployment rolls than it has been in creating job security. In other words, it has been devising welfare programs. A great deal more effort has to be made to integrate these training programs with the demand for trained workers in our economy. I hope the minister will tell us what he thinks about a five-year program in which industry can be involved in order that when these people complete training programs they can be placed in industry, finding a way from one stage of development to another.

I would say that our educators across the nation, even though education is sometimes thought to be purely a provincial matter, should reassess the type of education they are giving our young people.

• (1530)

I would like every Member of Parliament and every educator in Canada to read a book which has been a bestseller for the past six or seven months. The book is entitled "Future Shock". Perhaps every Member of Parliament has read it. There is a chapter in that book which is devoted to the theme that the educational system is directed more towards producing people geared to many aspects of society in centuries past rather than to people who would fit into the present system. I think everyone should read "Future Shock" to learn the way in which our educational system today produces people, even after 15 or 20 years in the system, who are not really qualified to fit into the society of the 1970's. I would like to say, as a teacher more than as a Member of Parliament, to educators across this country that they must start re-evaluating their educational process so that it will be relevant to the 70's. I submit that what we are providing our young people with today in the way of an education is irrelevant. It is completely out of tune with the 70's, let alone the 80's for which we should be planning. I will debate this with any educator in this country.

I have a couple more points I wish to cram into the 20 minutes allotted to me. My colleague, who speaks for our party in respect of the national health and welfare aspect of the federal government will be touching on this in more detail. However, there must be a re-adjustment of our attitude toward young people so far as welfare is concerned. If I may use the phrase "the adult world" to refer to people beyond age 25, that world refers to young people as being great recipients of welfare. If any one would read the very impressive argument put out by the Canadian Council on Social Development, it would be seen that there is not a preponderance of our young people on welfare. The figure is less than one per cent in the 14-25 year old group compared with in excess of two per cent in the group beyond that age. The fact of the matter is that we must change the attitude we have toward our young people who find themselves in trouble and need a little assistance under our social welfare schemes. If they need assistance they are just as entitled to it as is any adult in Canada.

We should make available to our young people opportunities which would make it possible for them to avoid the necessity of requesting assistance under social welfare programs. More importantly, I would like to see a long serious look taken at the Canada Assistance Plan. At the present moment, no province is entitled to adopt policies which would allow it to replace welfare schemes with work schemes. For example, if the province of Quebec desired to give its young people $100 a month plus a few dollars from its own coffers rather than $50 a month welfare, along with the $50 a month which is available from Ottawa under the cost-sharing agreement, and put them productively to work, that province would not be entitled to do so because under this legislation the provinces which encourage people to work are refused the federal share under the Canada Assistance Plan. In other words, the federal government says that if a province wants to use the payments it receives under the Canada Assistance Plan to put people to work, those payments will be cut off. I believe that is grossly unfair. I think a more liberal attitude could be taken so that provinces which are capable of designing work schemes to productively employ young people would be able to use the federal share of welfare assistance for this purpose.

I have a final comment. I do not wish to dominate the discussion today because I know a dozen of my colleagues on both sides of the House who wish to become involved. In the past several days, I have watched a number of television programs covering various festivals. Last evening everybody saw on national television a program covering the festival held by the "Jesus Freaks". I am not very much aware of the motivation behind these festivals or the psychological motivation behind tens of thousands

of young people getting together and worshipping in the way they do, listening to music or getting turned on, or whatever it is. I am not familiar with the psychology behind this, but there are hundreds of thousands of young people who find the energy to get together and enjoy music festivals, religious festivals, or whatever it is.

I wonder whether anyone has seriously considered challenging the young people through federal assistance, to take part in some kind of activity related to their own future. I should like to see some kind of national conference. It could be called a rock conference, a religious conference, an employment conference or something else. Let us have some type of federal encouragement and federal funding which would enable thousands of our young people, not when the problem is right on us but at some appropriate time, to get together and offer their suggestions on what they believe can be done to help alleviate unemployment among young people. I know the Canadian Council on Social Development had a great many of these young people involved in its survey procedures. However, I have never seen a means by which the young people from each province could get together to spend some time in offering suggestions as to ways in which their own future could be assured.

Too frequently politicians like myself and other members, as well as the Minister in charge of youth, whom we never see in this House—what is his name? I forget his name. It is the Secretary of State (Mr. Pelletier), the Opportunities for Youth king. I should have liked to see the Secretary of State here today. I know my colleague on the other side, the outstanding minister, the Minister of Manpower and Immigration (Mr. Mackasey) will be back in a few minutes to participate. The government is also bringing on another heavyweight, the hon. member for York-Simcoe (Mr. Roberts). I am very serious about this. I should like to see the federal government challenge the young people from St. John's, Newfoundland, Vancouver or wherever to come to Ottawa and spend a few days talking about their problems. Perhaps they have all kinds of ideas which we have never really tapped.

I remember a few weeks ago a group of young people from Toronto came to my office. They represented a variety of groups which received local initiative grants. They offered numerous suggestions. I must admit, having listened to them for a few minutes or half an hour, I learned a great deal more about the problems of young people than I could learn from Members of Parliament in the next six years. So, why do we not accept this challenge and offer it to our young people. We could tell them we would sponsor a conference of representatives from the universities, schools, councils of all kinds and organizations, to talk about their problems. Perhaps in this way we would receive a little guidance, because I am convinced that if we have to wait for the Prime Minister and the Secretary of State to solve the problem of unemployment among young people we will have to talk about 1980 instead of 1970.

• (1540)

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, the motion introduced by the hon. member for Yorkton-Melville (Mr. Nystrom) is very serious since it deals with an apparently insoluble problem. In fact, we have been hearing about it for many years, without any solution having ever been found.

The situation in which young people under 25 must live nowadays is neither very nice nor very interesting to observe. We hear people say that today's youth does not want to work anymore and that is why they are in such an unfortunate situation.

Mr. Speaker, today's young people are our children, just as we once were our parents' children, and they are not so different from what we were. They haven't changed, but life styles have however. Twenty-five years ago, it was rather easy to find a job; today, the number of young people being maybe ten times larger, there is a surplus of young manpower in our country. That some young people do not want to work is not new; we always had them. Those who do not want to work do not include only young people 20 or 25 years old. In fact, some people 40, 50 or 55 years old would rather receive welfare allowances than work. They are not so much better than young people 20 or 22 years old.

However, I notice, Mr. Speaker, during my travels across Canada, that our young people are interested in their country, that they want to become part of the Canadian society, if they can, if they are permitted to do so. This is exactly the permission they cannot find.

A while ago, the mover said that 250,000 young people less than 25 years old are unemployed. Yet, these are young people qualified to work and seeking employment. At this time of the year, 1,400,000 students ask permission to work during the summer months in order to continue their studies in the fall, and the hon. Secretary of State (Mr. Pelletier) came up, after the Christmas and New Year's holidays, with the Opportunities for Youth program to offer some help to young students and young unemployed.

These days, we receive from the Department of the Secretary of State—I do not write them, but we receive them—letters stating that 19,000 serious requests were received and that approximately 3,000 were accepted. About 16,000 projects under the Opportunities for Youth programs have been rejected. Perhaps not a single day goes by without a member of Parliament receiving a telephone call from someone in his constituency asking for reconsideration of a project submitted in January, February or March that was refused because it involved spending too much money on purchase of materials, because all the funds and more have been spent, and so on. No request for review can be accepted because the funds have run out. The minister says: We have no more money. But the young people are still there. As indicated by the letters received, these projects are serious and valuable and would help young people. Unfortunately, we do not have the financial means to implement them.

Mr. Speaker, I do not accept to be told that we do not have the financial means to help the young. They represent Canada's future and we have no right to gamble it away. Our duty is to build the future and not to gamble it away.

Unemployment among Youth

Mr. Speaker, on several occasions, I said the following: If war was declared tomorrow morning, the 250,000 unemployed under 25 and the 1,400,000 students now looking for summer jobs, that is 1,650,000 young people altogether, would all without exception be enrolled in the armed forces, clothed, fed and housed, and also paid to wage war, to destroy. Anywhere in the world, the necessary funds would be found; the Minister of Finance (Mr. Turner) and the Secretary of State could not say that there is a shortage of money.

In case of national emergency, we would mobilize all our young people, without exception, to have them wage war, but if we want to develop our country, build something and not destroy, help shape Canada's future, the minister will reply: We have no money. Some citizens play with that. The media find that normal. The minister said there was no money; so there is no money. Why should money be scarce in time of peace and not in time of war? This is miraculous, something that defies comprehension, a real mystery.

Mr. Speaker, it is fortunate that many young people realize today that they have been and are still being deceived.

I remember that during the second world war, when I was 20 or 22 years old, a great many young men did not want to enlist in the army. For 25 years, the Liberal party had boasted that under a Liberal administration, we would never have another war requiring military service. In 1939, when war broke out, the mayor of Montreal was advising young men not to enlist or register. He was locked for five years in a concentration camp. He stayed there five years, not seven days like Pépin, Laberge and Charbonneau who had asked their followers to disregard the law. Today, the situation has changed, but it was very difficult then to get out of prison.

In 1939, young people my age were emerging from an economic crisis that raged from 1929 to 1939. No matter what colleges we graduated from, be it that of Limbour where I studied, or Victoriaville, or Montreal, or even university, and no matter what diplomas stuffed our pockets, there were no jobs available, because of the economic crisis. As soon as war broke out, on September 1, 1939, the then Liberal government, as if by magic, announced suddenly the following day: "Come on; no time to waste. We have found the money. War has just broken out." They were ready, then, to provide us with all our requisites for war.

The same thing is happening today. Of course, we are enjoying peace, but for our young, it is a time of economic crisis even worse than that we have been through, because in 1934-35, we were satisfied with far less than we require today. There is now such a variety of products and entertainments of all sorts available to our young that they are placed in a totally different social environment than the one we had.

Let us take the case of young man or woman of 20 today, who attends university or a CEGEP and holds a job in a plant or office. When the week-end comes, they are still obliged to go to their father and say, "Dad, as I work, could you not lend me $10 or $15 for the week-end?" If the father has five or six other children, if his income is not adequate, they understand. They know what the family situation is; they do not revolt against the family but against society that keeps them from living decently.

Instead of blaming society for refusing to allow the integration of the young, we call them hearless or ill-mannered. We tend to blame the young generally. In fact, as soon as a small group revolts, we are ready to crush youth as a whole to safeguard the system, the financial system. Nobody denounces financing which is easily available in wartime, but not in peacetime.

Mr. Speaker, we all know—the young people as well as hon. members—that nothing is done in Canada to develop our natural resources. Let us consider the north and everywhere in our provinces. There would be lots of things to do, but since we have no money we remain idle.

I refer particularly to roads, especially Highway 8 between Hull and Montreal whose broadening has been promised for 40 years and which is still being promised for the next election. During an election campaign, numbered stakes are driven in along the highway, making electors believe that the road will be built. The day after the election, the stakes are removed and put away till the next election and the highway remains exactly as it was—

An hon. Member: They are put up elsewhere.

Mr. Caouette: Yes, they are put up elsewhere in case of a by-election.

An hon. Member: You are asking for it—

Mr. Caouette: In Ontario it is the same thing.

Today the road is good from the eastern border of Ontario up to Montreal. But on the Ontario side up to Ottawa and where traffic is very heavy there is a small two-lane road hardly allowing two cars to meet. Why not build a four-lane road and recruit young people to do it? This would create employment in asphalt plants, jobs for truckers, in short employment everywhere. Such roads have to be built all across Canada.

In another field, such as health, many things could be done, such as for instance the use of nursing and medical students where there is a possibility of using their skills. If we invested the required funds in all fields of economic and social activity in our country, there would be enormous possibilities.

We have the same situation internationally. I was in Cameroun for Easter. Mr. Speaker, there I noted that sending technicians to train these people for various jobs is a waste of time because they do not want to learn anything. What they need in these countries is social advisers to make the people aware of their situation. For 100 years we have been spending huge sums to help them. They have not yet understood the reason because their education is not in that direction. Therefore we should be sending them teachers.

In India and in Iran where I went, the same situation prevails. It is not the revolutionnaries who have to be sent there, but social workers who would appeal to the logic of the human being.

In every field in Canada, there are possibilities for helping young people provided the government, no matter which, decides to take the bull by the horns—not by the

tail but by the horns—in order to find a solution to the problems of young people, and indirectly help fathers and mothers who would like nothing better than to see their children busy at something for the development of Canada. That would allow them to be themselves and not think of themselves as numbers in a socialist or communist state, or in some group, but as free human beings, able to use their personal resources, to find their whole indentity and to put them at the service of this country.

• (1550)

[*English*]

Mr. John Roberts (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, I must admit that I was a bit surprised that this motion was put down in the name of the hon. member for Yorkton-Melville (Mr. Nystrom) who is, I believe, and who prides himself on being, a progressive socialist. I would not have been surprised if the motion had been put down by one of the fossils from the official opposition, but I do find it surprising that it should stand in the name of the hon. member for Yorkton-Melville, one of the youngest and most idealistic members of the NDP.

What this motion asks is that the House express regret at what it calls failure to provide a "*comprehensive*" and "*coherent*" program. Mr. Speaker, the hon. member should know that those who stand in the way of progress have often been those who said, "You cannot take one step now because you have not drafted the final and complete program." The enemy of the good is often he who pretends to demand the best. Is it the hon. member's prescription that we should not act until we have taped every facet of a problem, until we can bring every weapon in our armoury to bear on its resolution? It seems to me that in his motion the hon. member is lobbying not for a program with action, but for inaction. Therefore, Mr. Speaker, it was not surprising to me that, in fact, he did not talk about his motion.

The hon. member did not talk about the need for a comprehensive and coherent program because I suspect that in his heart of hearts he, too, wants us to take practical steps forward whenever we see an area in which we can assist people who have social problems. I doubt that he really wants to insist that we should do nothing until we can do everything, or that we must know everything before we can take any action at all. What the hon. member spent a great deal of the first part of his speech discussing is a serious and grave problem—the extensive unemployment in that sector of the public under the age of 25 years.

This is a problem, a grave problem. It is not a problem that has been generated immediately over the past two or three years. It stems from structural factors in the Canadian economy which result from demographic patterns. Unemployment among the young is part of the general structural difficulties that the Canadian economy faces, not only this year but will face over the coming decade. I would suggest that that challenge is part of the special position of the Canadian economy; because, while our economy provides unique opportunities it also confronts problems that are not found in any other society.

Unemployment among Youth

There is, and the hon. member alluded to it, a problem of high rates of entry into the working force, higher than in any other developed country. There are problems of low levels of productivity, and there are problems of regional disparity, with which the hon. member for Gander-Twillingate (Mr. Lundrigan) has been much concerned. There are problems in deciding how we should use our great economic asset, the fact that we are resource rich, in determining a general industrial policy for this country.

The problem of unemployment among the young, which the hon. member has described, is one very important part of the more general question, namely—which is the appropriate industrial policy for Canada to pursue. If one looks back over the past four years of the government's policies, Mr. Speaker, I think one will see that most of them, in the economic area, fit around those four great themes. I have outlined the problems of unemployment, productivity, regional disparity and resource development. No one on this side of the House would suggest that we have dealt with these long term problems perfectly, although we have shown an increasing awareness and understanding of them—I would suggest a much greater understanding of them than any of the opposition parties.

• (1600)

The policy of the New Democratic Party toward developing an industrial policy for Canada is basically the ideal of nationalization. Of course, one is not always sure these days whether it does stand for nationalization. If I understand correctly, the policy of the Waffle group is to press for nationalization but this seems to be resisted by the leadership of the party. It is hard to know which is greater, the dismay of the leadership of the New Democratic Party that some of their followers take these ideals seriously or the disillusionment of the followers that the leadership of the party does not take them seriously.

The proposals made by the hon. member for Yorkton-Melville were rather thin. He suggested that we should expand on-the-job training, seemingly unaware that one of the things the Minister of Manpower and Immigration (Mr. Mackasey) has already done has been to increase the grants for manpower training from $20 million to $50 million. The fact is, Mr. Speaker, that proportionate to their place in the labour force, youth has a far greater share in manpower programs than do other members of the population. Manpower services are actually heavily tilted in favour of young people who, though forming but 26 per cent of the labour force, claim over 40 per cent of available occupational training places under our Canada Manpower training program. This proportion will likely increase if the eligibility requirements for training and allowances are broadened. Youth seeks the services of Canada manpower centres to an extent far outweighing their relative number. Almost half the people seeking full-time work through Canada manpower centres are under 25. Young workers are among those who are vigorously assisted to find employment and take up new opportunities. In 1970-71, 35 per cent of all those relocated through this program were under 25 years of age.

Mr. Speaker, I do not want to stray too far into the field of the Minister of Manpower and Immigration who, I understand, will be speaking later in the debate. However,

I want to emphasize that, through the provision of career and employment counselling to post-secondary education institutions and through other programs, over 142,000 students were placed in jobs last summer by Canada manpower centres. As I said earlier, on-the-job training grants were increased from $20 million to $50 million and 64 per cent of the people who benefited from these schemes were young people. The hon. member's criticisms of the program, and his suggestions for doing things that we are already doing, brings to mind a line describing a not too successful British politician. It was said that he was "indebted to his memory for his ideas and to his imagination for his facts".

I have not yet discussed the use of the Local Initiatives Program in respect of providing employment for young people, but perhaps before I do that I should say something about the remarks of the hon. member for Gander-Twillingate (Mr. Lundrigan).

Mr. Lundrigan: I was beginning to feel a bit lonely.

Mr. Roberts: When I was speaking about fossils in the official opposition who might appropriately have proposed the motion proposed by the hon. member for Yorkton-Melville, I was not thinking of the hon. member for Gander-Twillingate. He is a "progressive" Conservative and should be proud of that fact, as I am sure he is. He did not take the approach that is unfortunately taken by too many members of his party, that the Opportunities for Youth program and the Local Initiatives Program are gifts to our shiftless, lazy youth who are depriving other people of jobs. He did not take that approach and he is right because a Conservative should welcome these programs. I will expand on that later.

He did mention two major factors, however. One was the question of increased incentives for employment. The remarks I have just made about what we are doing under the manpower programs, particularly in respect of the young people, should lead him to conclude that we, as a government, are heading in the right direction. His second suggestion was that there should be a national conference for the young people of this country. As a private member and a backbencher, I would support that suggestion. It has a great deal of merit and should be seriously considered.

What has disappointed me most in the reaction of the first two speakers from the opposition is their failure to give credit where credit is due. In their heart of hearts, both the hon. member for Yorkton-Melville and the hon. member for Gander-Twillingate support the principles which were developed by the government in the Local Initiatives Program and the Opportunities for Youth program. I know it is the duty of the opposition to oppose, but it is not necessarily their duty to oppose everything at all times with all the force at their disposal. Their remarks might have gained more credibility if they had admitted that these are sound imaginative proposals which should be accepted and welcomed.

I said earlier that the Conservatives should support Opportunities for Youth and LIP. If there is one thing that we on the government side hear from the Conservative side it is that big government saps the initiative of citizens and bureaucracy takes away the capacity of the individual to assist with the problems of society. In these two programs, we have not created a large bureaucracy to establish and administer them. We have gone to the people and said, "Let's have your ideas, your enthusiasm, your suggestions, your initiative and we will work with you to assist you and to meet a social need." I suggest that a Conservative, particularly a "progressive" Conservative like the hon. member for Gander-Twillingate, should understand, appreciate and support the concept of a government approach which says, "Let us, with a minimum of bureaucracy and red tape, tap the enthusiasm, the idealism and the initiative of the people who have something to contribute to our society."

It is obvious that the hon. member for Yorkton-Melville should support these programs and principles because they are progressive and pragmatic. Of course, they do not claim to cover all the problems of every individual in society, but with a minimal amount of money enormous numbers of people have been assisted not just to do things for themselves alone but to help other people in the community. I would have applauded the hon. member if he had said that clearly, as I believe it is what is in his heart.

The fact of the matter is that in dealing with this problem of unemployment among young people we have developed programs under LIP and Opportunities for Youth which have been enormously successful and which have not been tried in any other country. Indeed, people from other countries come to see how we administer these programs and to learn our secret. I am not the only one to say that the programs are successful. There was an article in the Toronto *Star* of June 3, written by Trent Frayne and I would like to quote from it at some length—not that he is more eloquent than I, Mr. Speaker, but because members of the House may be prepared to believe that he is less biased in favour of the government than I. He says:

> It was as imaginative an idea for combating high unemployment as anything in western society. It was unique in that, instead of devising winter work projects for the people, the government turned to the people themselves for ideas about the kind of work they wanted to do.
>
> To see how this concept has worked out in practice, I travelled from coast to coast to look at LIP projects. I interviewed dozens of officials and critics, people who got grants and people who received help from projects. My conclusion: The LIP program is a runaway success.

What are the ground rules? A project should be of benefit to the community; it should not compete commercially with established businesses and it should give work to people who need jobs. What Canadians did within these guidelines was as innovative as it was varied. Mr. Frayne listed 30 or 40 projects that have been assisted by the LIP concept. His conclusion—not the conclusion of a government representative, or a backbencher, or an official spokesman for government programs, but the viewpoint of a disinterested journalist who made an extensive study—was as follows:

• (1610)

> The point is, though, that the abuses were remarkably few and the criticism soon muted, and what really mattered about the LIP program was that it caught up more than 90,000 people who would otherwise have had no work, permitted them the same freedom of invention and ingenuity that the wealthy enjoy, and directed them towards a new frontier in Canada, social justice for all.

That applies to the Local Initiatives Program. Of course, the Local Initiatives Program is not directed solely toward young people, but a large part of the projects undertaken have been ones in which young people have been involved.

There was only one comment by the hon. member for Gander-Twillingate which really aroused my ire. That was his suggestion that these programs, such as Opportunities for Youth, are something in the nature of a welfare program or might be used just as a welfare program. I resent that because I think it is wrong—

Mr. Lundrigan: Mr. Speaker, I rise on a question of privilege. My remarks with regard to welfare had to do with the Manpower adult occupational training program where people are placed in these programs in order to be taken off the unemployment list. The hon. member should know this. I did not use the word "welfare" in connection with Opportunities for Youth or Local Initiatives Program.

Mr. Deputy Speaker: Order, please. That is hardly a question of privilege. The hon. member does have the right to rise on a point of order to explain or clarify his remarks.

Mr. Roberts: Mr. Speaker, I am glad to learn that I was mistaken in my comprehension of what the hon. member said. I am sure he welcomes the opportunity to put right the impression which otherwise might have rested with some members of the House.

Earlier I referred to the view of some members, in fact many members, of the Conservative party who regard these programs as simply give-aways or contributions to shiftless youth who do not need assistance or help. That is an unfortunate way of looking at these programs. This is not a system by which we give anything away. It is a situation in which the government works with young people to tap their ideas and do things which need to be done at low cost.

What most impresses me about young people in our society is the very strong desire that most of them have to contribute to this society. We all give lip service to the turbulence among young people, their criticism of the society we have, and their opposition to the "system" of the "establishment". I think we should debate more often in the House the problems of concern to young people.

Among young people, there have been two reactions to the society which confronts them, a society which, as we all know, is far from perfect. Some of these young people choose, perhaps through frustration, to opt out. There are people on the drug trip, people who abandon the life of their communities to live in communes, and people who say that our society is so rotten and corrupt that they simply want to amputate themselves from it and hope that they will be uncorrupted by the society in which we live.

There are others, much more numerous and I believe more admirable, who, although disliking many aspects of our society, decide that they will not opt out, but will opt in. They are not pursuing selfish goals for themselves, such as a higher salary, increased security or an easy and soft life. They are young people who feel they have something to contribute in helping their fellowman in this society. These are the people to whom Opportunities for Youth and the Local Initiatives Program have been directed. It has given them a chance to contribute their energy and ideas to a society which desperately needs their enthusiasm and ideas. These young people are our best hope for the future. If we ignore them, or reject them, it will be to the peril of our society.

Since I have discussed the Local Initiatives Program at some length, I should say a few words about Opportunities for Youth. The programs which we have had under Opportunities for Youth have given the young people in our society an occasion to contribute, something which has been too often neglected in the past. Perhaps I might be pardoned if I make reference to the kinds of things being done in my own area, the constituency of York-Simcoe. I confess that when the idea of Opportunities for Youth was first broached, many constituents in my area were uneasy about the idea. They were concerned about the novelty of it. They were not sure it would be of great benefit. However, when you describe what has been done and what will be done this summer in my area, they become enthusiastic supporters of this concept.

Under Opportunities for Youth, there will be support this summer in my area for a mobile day camp concentrating on the arts, drama, music and related activities for young people between the ages of 10 and 14. There will be ecology studies, a youth involvement project, a co-operative between local businessmen and farmers in the rural area of my riding to find employment, and—

Mr. Deputy Speaker: Order, please. I regret to interrupt the parliamentary secretary, but I must do so to advise him that his time has expired.

Mr. Lundrigan: Mr. Speaker, I rise on a point of order. I am sure that the hon. member has 30 minutes.

Mr. Deputy Speaker: According to my understanding, the parliamentary secretary is entitled to 20 minutes.

Mr. Derek Blackburn (Brant): Mr. Speaker, after listening to the remarks of the Parliamentary Secretary to the Minister of Regional Economic Expansion, one gains the impression that only the Liberal party has any sympathy for the youth of this nation. When you look at the problems of youth from either the federal or provincial point of view, this is far from the truth.

I was also interested in listening to his remarks about on-the-job training. What he neglected to state was what happens to these people after the program is completed. The number who are laid off go back on the unemployment rolls. I suggest that many of these programs, such as the Local Initiatives Program and Opportunities for Youth, are in one sense stop-gap or short-term measures to reduce the number of unemployed. I am not suggesting that the Opportunities for Youth program is bad. I think the concept is a healthy one. It is one we should pursue further. The unfortunate aspect of it is that while there may be duplication on one hand, there is always the problem that such a program will not, and in fact does not, reach out to involve the entire community. In fact, in this summer of 1972 only 30,000 of the 250,000 unemployed young people in this country will be involved. This is

tragic. It should have been broader in its scope to include more of our young people.

It is my privilege today to enter this debate on the many problems and frustrations facing a substantial proportion of our younger people, notably those in their twenties who are just beginning to attempt to establish themselves in our society. Perhaps I should say "find themselves", for surely society today is changing so rapidly, it is so complex and confusing, that even the most secure and stable are often unnerved with apprehension. In urban Canada there are three major social and economic areas of great concern in which tension creates either violence or soul destroying frustration and crippling boredom. These are the lack of proper housing, educational systems that are out of touch with the realities of today, and the absolute boredom of the factory and office. No doubt there are many others, but I will limit myself to these three.

It is certainly ironic to me that while we have talked more about housing in the last four years than in any previous Parliament, lack of proper housing is still the number one problem in our cities. The present administration has deliberately ignored the needs of the low and middle income earners for proper living accommodation. It deliberately shelved urban renewal plans well under way in the mid 1960's, and only now at the eleventh hour the minister responsible for housing has brought in a bill to help save his government.

• (1620)

When I talk about housing, I am talking, first, about cost, because cost is obviously the barrier to adequate housing. A recent government task force on low income housing headed by Montreal architect Melvin Charney concludes that 49.5 per cent of Canadians cannot afford decent housing. This 49.5 per cent is in a group which ranges from families on welfare to those earning $6,500 a year or less. Many of our younger citizens are also in this category—under-educated, improperly educated, coming from homes where poverty has denied them the incentive for self-improvement, where squalor has depressed them to the point at which many just don't care.

Row housing, which is the type of home built mainly for the poor—and this is a mistake—dropped by 8 per cent in 1971 while more expensive housing starts increased by 38 per cent. I say row housing is a mistake because very often the people who live in this type of housing have many problems adjusting to conjested living conditions. Very often built of inferior design, these housing units frequently degenerate into modern slums. Moreover, people cramped into row housing find it difficult to relate to the community outside the "compound", if I may use that expression, because they feel inferior by the very nature of their segregated living quarters. Again, it is my personal experience that many of these people are young. Before they have a real chance in life, they are barricaded behind the poverty wall.

Among the villains in the cost of housing are land speculators. Cost of land rose in nearly all metropolitan areas in 1970, with increases of more than 10 per cent in Halifax, St. John's, Saint John, Montreal, Ottawa, Hamilton, Toronto, Sudbury, Edmonton and Vancouver. Another factor in the high cost of housing, and a major contributor to inflation, is the present method of financing home ownership with high interest loans. A house priced at $20,000 typically would receive a first mortgage under NHA of $16,500. Interest over 25 years at 9 per cent would be $24,500. Principal, interest and the original payment of $3,500 would bring the cost of that house over 25 years to $44,500, more than twice the original price—hardly a bargain.

The tragedy of this situation is that most young married couples with a couple of children just cannot afford the down payment necessary to secure a first mortgage so are forced into a second mortgage situation which saps them of what money they should have left for ordinary family needs. The situation is aggravated by the fact that they are obliged to live in small apartments, many of a run-down nature, at the very time when their children should be enjoying the pleasures and security of a private home. Again, we see frustrations and tensions made even worse throughout the tenure of this administration by massive unemployment, particularly among the young. Young couples, because of interrupted earnings, have been forced to accept, where it is available, substandard accommodation. The unemployment insurance cheque comes in one day and the rent cheque goes out the next. This is another aspect of the Just Society.

In a 1971 report, the Science Council of Canada concluded that by sustained development of housing technology, even using conventional materials and methods, housing costs could be reduced by 15 per cent or more below the present norm in Canada. That represents a saving of $3,000 on a $20,000 home. The Science Council also endorsed a policy long advocated by the New Democratic Party—a vigorous program of land assembly by governments at all levels. Leadership in this field would have to be given by the federal government in co-operation with provincial governments, as municipalities are not in a financial position to do this effectively. A massive program of home construction would also reduce present high levels of unemployment especially among those 240,000 Canadians who are under the age of 25.

Mr. Speaker, if we intend to make a real effort at solving the tremendous social problems associated with, and to a great extent caused by, poor housing in our urban areas, we must launch an all-out attack against slums, high rents, high interest rates, land speculation and crowded and congested substandard accommodation. The time for talking and arguing is over. We must begin and begin now, or our cities will resemble the decay and rot that we see to the south.

It always seems a pity to me that we in Canada are unable to learn from the mistakes of our neighbours to the south. For a generation we have watched urban sprawl, innercity rot and decay, increasingly conjested living conditions breeding violence and terror in the streets, school systems which have virtually broken down, schools where hallways have to be patrolled by armed policemen, and where teachers in some cases actually have guns in their desks. We also see courageous social planners and bold and imaginative civic leaders desperately trying to turn the tide against utter social chaos.

America's faults were in part innocent. Americans were innovators. They led the way on this continent into the

technological age. Their mistakes can perhaps, to some degree, be forgiven. But can ours? Because surely we are following them down the same path to urban blight with all its attendant social and economic problems. Good housing at prices people can afford, particularly those just starting a family, is the very cornerstone of a healthy urban environment. So, let us rid ourselves of the land speculators and high interest rates and the endless red tape between governments and get on with the job.

Another major problem very evident in today's society, and one which is causing a rather widespread social malaise among the young, is the type of education most schools are providing. We see before us education systems which are not only out of touch with the real challenges of the present and future, but which have placed their emphasis on brick and mortar in the past ten years. This has created a generation of ill-equipped and, to an appreciable degree, over-educated unemployables. The cost of this failure has been astronomical.

One of the reasons our students today are over-educated is that we have trained them for professional jobs that our economic policies have exported to foreign countries, notably to the United States. In the vast field of what might be termed creative technology, the field of the inventor, the architect, the designer, the quality control analyst, and so on, most of the work is being done by the parent firm outside Canada. What our workers do, by and large, is assemble, package, label and ship. This is one major reason so many of our graduates find it difficult or, at times, impossible to find meaningful employment for which they have been trained at great cost. Let us not forget that the largest share of the cost of education, at all levels, is borne by the low and middle income earner.

It is my opinion, Mr. Speaker, that technical and commercial students should, after nine years of schooling, be released from our institutions to gain on-the-job training in industry and in commerce where they would receive the remainder of their education, not at the taxpayers' expense but at the company's expense. This, I suggest, would have a multiple effect: not only would it lower school taxes, it would relieve congestion in our schools and would provide more practical training where the action is—in the factory and in the marketplace. Students would also mature faster and be better prepared to face the challenges of a real life situation. They would have five or six years behind them before marrying and starting a family, and hopefully would be in better financial shape. The same would hold true for rural youngsters who wish to pursue a career in agriculture.

• (1630)

As a former teacher, I saw so much of the time of many students wasted because they were being forced to stay at school to prepare for jobs that to a great degree will soon be obsolete. This situation holds true for many academic students as well. It is indeed a sad commentary on our society today to see university graduates employed as check-out girls in food stores and trained teachers driving taxis. Bitterness is growing among this young group in Canada. In talking with university students I find that many are not even planning beyond graduation day. School has become a sort of asylum for them. They feel secure in the classroom but dread the thought of job hunting. Is it any wonder that many become part of the drug subculture, or simply want to wander?

Opportunities for Youth Programs and Local Initiative Programs are not going to solve this problem. Not only are they extremely costly to the taxpayers, but they hardly make a dent in the unemployment figures relating to the young. This summer, for example, only 30,000 young people, mainly from our schools, will participate in the OFY, while approximately 210,000 young people will be left out. If we have an Opportunities for Youth program for students, why cannot we have the same kind of program for the thousands of youths who cannot find work in our factories?

Finally, Mr. Speaker, I would like to devote the remainder of my time to yet a third major cause of social malaise among our younger people. I am referring to the absolute boredom that comes from the menial, mind-numbing jobs to which so many of our younger workers—be they blue or white collar—are subjected in our factories and offices across the country. In a recent article in the Toronto *Star*, Sydney Katz reports that "of the thousands of men who work on the auto-assembly lines in Oshawa, 56 per cent are taking tranquilizers or some other kind of drug, many to help them cope with their mind-numbing jobs". Further, "we are notorious for the extent of our drug use", said Albert Taylor, president of local 222 of the United Automobile Workers Union. "The men move zombie-like performing the same mindless, minor operations, over and over again, their senses befogged and distorted by their robot-like movements and the hellish howls and shrieks of the machines."

To me this reads like an industrial history of Great Britain in the 19th century. Industrial development has not really improved working conditions at all. In fact, emotionally and psychologically, workers are worse off today. When one considers that the majority of these workers are in their twenties and thirties, it is not difficult to understand a host of social and financial problems emanating from this boredom and entering the homes and families of these workers. This boredom is also prevalent in office work as well where pool typists, copying machine operators, keypunch operators and filing clerks never see the beginning or the end of their jobs.

So, Mr. Speaker, all in all we seem to be nurturing a generation of young people who are suspicious of traditional professions because of lack of opportunity in many of those professions, bored and numbed by jobs that require no creative or challenging skills, disillusioned about traditonal work patterns, disinterested in learning because of antiquated educational systems, and lacking proper and decent living conditions in ever-growing congested cities. This is a pretty bleak picture, and a pretty sobering one.

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, the points put forward this afternoon both by the mover of the motion, the hon. member for Yorkton-Melville (Mr. Nystrom), and by the speaker who has just preceded me cover a wide range. If I remember correctly, the hon. member for Yorkton-Melville, in attempting to put forward some alternative ideas, said he approved of the on-the-job training programs of the government and that he would want to see these programs extended with the

aid of increased financial support. When addressing himself to the Opportunities for Youth program, he made a rather interesting observation, which I share with him, namely that these programs should be more intensively redirected to those who need employment and made available more on the basis of need than has been the case so far. But both speakers, by their own admission, seemed to approve of and support the concept of training on the job and also Opportunities for Youth.

If that is the case as stated by them, then it becomes very difficult to understand the logic of the motion before us today which accuses the government of disregarding youth's legitimate aspirations. The word "disregard" is used in the motion. I ask, how can you, on the one hand, accuse the government of this disregard and, on the other hand, say that some of the programs that have been developed and made available to the people about whom the hon. member for Yorkton-Melville is so concerned should be extended? It seems to me that there is a contradiction in terms. The hon. member is agreeing that the programs that have been developed so far are good and perhaps we should have more of the same. I expected him to suggest that these programs were not good and should be replaced by a different approach, in view of his use of the word "disregard" in the motion before us today. In other words, the hon. member cannot have it both ways. He cannot accuse the government of disregarding youth's legitimate aspirations and at the same time say yes, we need more of the kind of program that has been developed over the years.

Not only has the government conceived of the idea of an Opportunities for Youth program, it has also had the courage to put it into effect, to make it available under some very simple, basic conditions, with almost no red tape, on the terms of the job seekers, and for the purpose of community betterment. All of this has been done in an attempt to catch and to understand the moods and values, the aspirations and changing conditions of our young people today. Certainly, the idea was not put forward by members on the opposition benches, for once having suggested such a concept they would find it difficult to disapprove of the program and to suggest that it be replaced by other programs. Indeed, it is obvious that the program is a popular one. The only route that then remains available to them is to outbid and ask for more, and to demand greater emphasis on these programs. Of course, we obviously all agree that when a concept proves to be good, in spite of all the predictions of gloom such as those that came from the opposition benches two summers ago when this idea was launched for the first time, everybody wants to support it. In that sense, we share the same approach.

• (1640)

It is a pity this motion is drafted in such narrow terms and deals only with young unemployed, as if this were a matter of a more serious concern than the unemployment of older people. There is a broad group of Canadians with which we are concerned here, and to select the young ones only seems to indicate the concern is not shared equally for other sectors of our community. If you are in your fifties or early sixties, mature and unemployed today, it is a very serious and very tragic circumstance. It would have been more desirable, and reflect greater concern had the motion been drafted in a manner dealing with the total spectrum of those unemployed in an attempt to find the answer in these difficult years of providing new avenues of employment in our nation.

The impression that this motion creates is very serious and I should like to deal with it for a moment. The impression is created that we are dealing with a chronic period of unemployment, while at the same time employment is retaining the same level. This is far from being so. Anyone who wishes to become aware of the picture must look at the figures published by Statistics Canada from month to month and from year to year. He will see that, for instance between spring of 1971 and spring of 1972, employment in Canada has risen by over 300,000 new jobs, and that the figure for the same period perhaps a year before was somewhere in the neighborhood of 300,000 or just below that mark.

While unemployment in this country is with us at a disturbing level, in order to get a complete and correct picture one has at the same time to look not only at unemployment figures but also at employment figures. Then, one will realize that employment figures are rising constantly from year to year at a phenomenal degree, a rate of almost 300,000 new jobs per year. That is no minor performance for a small nation with a population base of only 22 million. It is a remarkable performance because, according to studies and statistics, it outdoes the performance of five or six western European countries put together in their ability to create new jobs. The population of those five or six countries, namely West Germany, France, Italy and so forth is something in the range of about five to 10 times the population of Canada. Here we have a comparatively small nation able to generate and produce jobs to the extent of approximately 300,000 from one year to the next.

We are asked now to deal with a narrow motion that creates the impression that employment in Canada is a stagnant factor. How blind can one be in putting forward this kind of a proposal? One should have the courage or wish to look at the over-all picture, and admit that while we have shortcomings and weaknesses in our unemployment levels, which leave much to be desired, we have at the same time a substantially increasing labour force since our economy has been able to generate new jobs to the tune of about 300,000 per year. This is no minor feat.

Going back to the basic motion of the hon. member for Yorkton-Melville, I suspect his speech will read in the record tomorrow like the commentary of a biblical figure or prophet, because the whole tone of his approach to the question was one of sadness, a forecast of disaster, depicting the picture of Canadian youth as far from the one with which most of us are familiar. Some of these young people are here in the galleries with their teachers. We see them going through these buildings by the thousands each day. These are vibrant, competent young people looking to the future, which is very bright indeed. We certainly disagree with any member of this House who depicts the picture of Canadian youth as the one the hon. member for Yorkton-Melville painted.

The hon. member's motion has done something useful in that it asks this House to stop for a moment and give thought to how we should improve our approach to and

understanding of the new developments in society, how to understand why, in the area of employment, new values are creeping in and old ones are being rejected, while situations are developing within our industrial society that are becoming too difficult to accept when contrasted with the idea of working every day in the factory, and so forth.

The hon. member for Brant (Mr. Blackburn) concluded his remarks a moment ago by quoting an interesting article from a daily newspaper which indicated that a high percentage of people were resorting to certain drugs in order to come to terms with an environment in which they have to work. It is possible that we live in times when it is much more enjoyable to be outside the working situation, because at work, as we all know and have been told, there is an increasing dehumanization as a result of lack of identification, and the limited satisfaction of assembly line situations. We do not know the answers, nor do we know why these new values of young people are developing.

Both the preceding members spoke about the desirability of extending the Opportunities for Youth Program to young farmers and young people who are not students. I suggest this has been done already, at least partially through LIP. Thousands of young people who are not students are engaged in some of the LIP programs across the nation. However, it is much broader in its scope because it permits people to actively participate regardless of age. Perhaps had we done what has been proposed, we would have been accused of age discrimination by offering programs only to youngsters and not to other people. By means of LIP, we have an approach which tends to be universal. This is a program which states that any person, regardless of age, who is unemployed and wishes to contribute to the betterment of his community has an opportunity to do so.

• (1650)

One would hope in a debate like this that one could provide some help in discovering new answers to the present challenge, which is a very complex one. The challenge is to try to place the government in a position to adjust its approach from year to year to a society whose values change rapidly, as we all know, and to offer programs totally apart from the trend of the programs we have seen in the past. It is a fact, and it is a pity that none of the members opposite have admitted this, that in this situation the government of Canada, through LIP, has produced a program in respect of employment which is most imaginative and the envy of perhaps all western industrialized nations. People from other parts of the world have inquired how this program was conceived and how it is administered. They have asked also how politically dangerous it is. Usually the inquiry asks whether we do not think we took a great risk in launching a program of this nature. The government certainly did, but in the end the program seems to have worked out fairly well despite the criticisms, despite the newspaper articles and despite some of the questions asked in this House. I remember very clearly that in the spring of 1971, the opposition was determined to demonstrate that the Opportunities for Youth Program was ill conceived and hastily conceived. Now, 15 months later, we witness this beautiful example of one speaker after another not only praising the program but saying, "Please give us more of this".

I could not think of a better testimonial to this policy or this program. It might be repetitive to say we think that unemployment in the 1970's is a phenomenom which will stay with us for reasons stated by others, and that it will be a constant and a complex challenge for any government to try to find adequate answers which will be acceptable to those who are unemployed as well as to those who are working. It is those who are working who, through their income tax, will have to support these programs and who will constantly, as has been the case so far, question the quality and validity of the program. This is a problem which is constantly before us. The beginning, however, has been good. The results have been outstanding. At least in our cities we know of the outstanding programs which have been carried out to the satisfaction of the community, the participants themselves and the establishment. What is being provided today, obviously, is an opportunity for us to hear from some members of the opposition what should be the answer in the years to come.

Mr. A. D. Hales (Wellington): Mr. Speaker, I appreciate the opportunity to speak on this motion before the House. Probably it is time the motion was repeated. I do not think it has been repeated since the debate started. The motion reads:

That this House regrets the failure of the government to produce a comprehensive—

I underline the word "comprehensive".

—and coherent program—

I underline the words "coherent program".

—to deal with the growing unemployment among our young people and its disregard of youth's legitimate aspirations.

It is a very timely motion, and one which I believe the House ought to appreciate being brought before it for discussion and debate. Why is it important? It is important because last year in Canada, in 1971, there were 46.3 per cent of people aged 14 to 24 unemployed, roughly one quarter of a million of our young people. It is also a fact that 30.4 per cent of the unemployed people had a grade eight education or less. Over one million young people graduated from universities, last year only a fraction of whom have been able to find employment. Many parents told their children they should attend university because if they did not they would not have as good an opportunity to obtain a job. They attended university, received a degree, entered the labour market and were unable to find a job. This is a very sad situation. It certainly affects those parents who told their children they should attend university. People who have Ph.D. degrees are driving taxis and girls who have B.A. degrees are working as check-out girls in supermarkets. I am not suggesting there is anything wrong with such occupations, but these young people attended university in the hope of obtaining jobs of higher rating and with higher pay than they have been able to obtain.

These are very serious situations. This government has had an ad hoc approach to this whole problem. Under Prime Minister Pearson, the Liberals introduced the Com-

pany of Young Canadians. What happened to that? It should have been the answer to many of the problems before us today. Instead of building up the Company of Young Canadians and having it do the job it was intended to do, the government jumped from pillar to post and brought in another program called the Opportunities for Youth. These programs overlapped. They should have been co-ordinated in some way. The Company of Young Canadians seems to have passed into oblivion. Now we have new programs, the Opportunities for Youth program, the Local Initiatives Program, a sort of ad hoc approach to the whole situation. I am not here to criticize. I think perhaps we should offer some constructive suggestions that would help clear up the unholy mess in which the young people find themselves after obtaining an education, whether at a university, a community college or a manpower retraining program.

I intend to keep my remarks along these lines. I wonder how the three levels of government allowed us to get into this situation. Surely, in this computer age it would not have been too much of a task to visualize the future requirements in respect of the various professions and the various disciplines studied at university. Surely, we could have anticipated 4, 8 or 12 years ahead the number of doctors, the number of engineers, the number of lawyers, the number of History and Political Science graduates and so on, that would be required. We should have been able to survey the demand and estimate the number of students which would be required in these various professions.

• (1700)

I am the first to agree that it is very difficult to say to a young fellow or to a young girl whose leanings are toward literature and writing "you should go into engineering" or "you should be a doctor". It should not be very difficult to say to them that four years from now there will be four times as many sociologists or engineers as we need, or the reverse. I do not know why the three levels of government have not joined together to work out a system to provide this information. I grant that education is not the responsibility of the federal government but is a provincial matter. However, we entered the field of education, perhaps by the back door, and since we are there let us give some guidance and direction in this very serious matter.

There is another problem to which we should give serious thought. I am one of those who believe that every young person who goes to university is independent enough to want to pay his own way. Many of these young people do not even want to borrow money from their parents or to obtain a student loan. They want to be able to say that they have earned the money and put themselves though university.

Mr. Knight: They cannot earn that much money.

Mr. Hales: I will tell you how they can earn that money. I will suggest a new approach to education. Let us take the example of a university student who is taking a course in commerce. He can study the theory for three or four months and for the next three or four months he might work for a large company, in a bank or some other place, to get practical experience. His place of work he would not be able to earn a sufficient amount of money to pay his way through university. So I say, let us scrap the student loan program and use the money for that program to subsidize the employer of these students under the work and learn program. Let us say to the student "you will have to learn to save to put yourself through university". He would be proud of the fact that he was able to earn enough money to put himself through university and that he did not even have to ask his father or mother to help him.

There would also be another benefit. The young person, after having worked four months in the profession in which he thought he was interested, might find that this was not what he wanted, that he was in the wrong course. He could stop right there and enroll himself in a course where his interests lie.

I believe that if we adopted such a system as this which would enable students to pay their way through university we would be accomplishing something.

This brings me to another aspect where we are badly adrift, as I see it. I am referring to the guidance counsellors at the high schools and universities. I do not feel they are in tune with what is ahead for our young people, and perhaps the young people are not getting the guidance which they should have. It seems to me that guidance counsellors at high schools and universities are the most important people on the staff and they should be paid the highest salary.

The program that the government introduced 15 months ago called the Opportunities for Youth program is one that I support. I agree with the principle of the program, but I am not satisfied with the way in which it has been operated. First of all, there is the matter of selection of the programs. The selection is being made by someone here in Ottawa, in an ivory tower. How can someone here in Ottawa know which is the best program for a community? Surely, the government should say to the community that they will support an Opportunities for Youth program but they would like the program to have the blessing and the approval of the community. Surely, there are groups of people who should either endorse or reject such a program.

One such program was adopted in my riding. I think the selection was made from an application on a piece of paper which was received here in Ottawa. This particular program happens to interfere with the work of the YM and YWCA. They got $7,000 for this program, and what was the result? The YWCA was operating the same kind of program before the Opportunities for Youth program was introduced. As a result of the acceptance of the OYP, the people working on the YWCA program lost their jobs, so four people were hired and four people lost their jobs. The net result was zero.

The principle of the program may be all right, but the selection and supervision of these projects leaves much to be desired. Last week I spoke briefly about supervision. I was informed that any expenditure below $15,000 for these programs would not have to be audited. In other words, when a group of people get $8,000 or $10,000 for a program they are not asked to account for the money; they are not required to produce vouchers. If this is a fact, then it is very serious and I for one will make a request,

which I am sure would be supported by the public generally, that all the money granted for OYP must be accounted for and audited as all public money should be. Even if that cannot be done for all the programs, certainly spot checks should be made so that the OYP people would know they were being held accountable for the money given to them under the program.

Let us now take a look at the Manpower offices and see what they might do to assist the young people in finding employment. I, for one, give the Manpower offices full marks for what they do in the summertime to assist young people to obtain employment. However, this work should be continued throughout the year, even though primarily it is just a summer program. Speaking of the Manpower offices and of the regulations under which they work, I give those officials full marks for removing the three year attachment to the labour force clause which meant that training allowances could be granted and the period shortened. This is a good thing.

Since we are speaking primarily about youth and their problems today, I would just like to repeat that the Department of Manpower and Immigration is focused mainly on summer employment for post-secondary students and the needs of young job seekers 16 and 17 years old appear to be neglected. Young workers need special attention and counselling to assist them in finding suitable employment. It is doubtful if this can be accomplished in the broad approach taken by the Canada Manpower Centres.

• (1710)

The Canadian Council on Social Development conducted a study on this matter, and I wish to quote from its report at page 253 as follows:

> Only 10 per cent of the respondents interviewed for this study had good things to say about their contacts with Canada Manpower Centres. Perhaps they expected too much, perhaps they deserved better. Some displayed a mixed reaction. The majority were critical of the treatment and help received. Sixty per cent resented or were critical of the attitudes projected by Manpower counsellors.
>
> There is much more at stake than Manpower's search for job orders when the employment needs of new, young workers are under consideration. A more personal, sympathetic and conselling intensive approach is required if widespread discontent and despair among youth is to be avoided.
>
> As a short-term measure, the Department of Manpower and Immigration should develop a network of youth manpower centres, separate and distinct from, but closely co-ordinated with existing Canada Manpower Centres. These should be staffed by carefully selected, specially trained personnel with an understanding of and respect for the needs and values of young people. The youth centres should be oriented to youth and should conduct continuing aggressive outreach programs with both youth and employers.

I think this would be a step in the right direction. The counselling in the Manpower offices leaves much to be desired. Many people are misdirected to the upgrading courses which Manpower conducts. People are put into the wrong courses. Sometimes after a person has taken a course there is no job available for him. I wish to quote one example that is given in the study to which I have already referred. It is typical and bears out many of the things people have told me. The young fellow involved is called John. Here is his story:

> John, aged 20, was raised on a farm and completed Grade 12. He came to the city two years ago to take a commercial art course at the community college. He received no counselling on graduation from high school or on admission to the community college. John completed his art course but then found that there was no demand for his services. To his chagrin he learned that only a very small proportion of any commercial art class ever found employment in that field. John has registered at Canada Manpower for any kind of job but has failed to obtain a position as yet. He shares accommodation with friends in a commune and feels their friendship and support keeps him going. He doesn't like to be dependent on those who are working and so applied for social assistance. His parents are still on the farm and he feels they would welcome his return as they were disappointed that he did not want to make farming his way of life. But it appears to him that they have always just barely "got by" and he can't see any future there. When interviewed he was discouraged and depressed.

Why would he not be discouraged and depressed? There are many others like him. Mr. Speaker, I see my time is up. I would have liked to develop my argument, but I am grateful to have had this opportunity, short as it was, to participate in this debate.

Mr. William Knight (Assiniboia): Mr. Speaker, I rise to take part in this debate because of the immense importance of the motion introduced by the hon. member for Yorkton-Melville (Mr. Nystrom). I was somewhat intrigued by the remarks of the hon. member for Davenport (Mr. Caccia) who made some ridiculous statements concerning the fact that the motion was somewhat abrasive. I want to point out to the hon. member that if we had introduced a motion that could have been agreed to by all hon. members, a wishy-washy kind of motion, we would have been attacked for that very reason.

The hon. member referred to the Opportunities for Youth program. He could not understand why we were offering criticisms of it and yet suggesting that it be expanded. May I refer the hon. member to a report of the National Council of Welfare on guaranteed incomes and guaranteed jobs, at page 9, where it states:

> The hopeful developments of the past year, as embodied in the Opportunities for Youth and Local Initiatives Programs, is that this re-definition can be seen to have begun. It has begun, however, through programs designed only as ad hoc and short-term responses. Instead of building new permanent concepts of work in terms of community service, these programs have created only insecure, short-term, filler jobs. Thus, someone may for years have carried out various community service activities on an unremunerated volunteer basis. In June of 1971 under the Opportunites for Youth program that activity suddenly became a "job" and the person doing it received pay for this employment—till September when it suddenly ceased to be employment and again became unpaid volunteer activity—until December when the Local Initiatives Program again declared it a "job" and provided remuneration—until May when this program substantially expired and it again became unpaid non-employment. The May 31 expiry of the main part of the Local Initiatives program not only saw more than 70,000 Canadian workers "laid off," with all the attendant affects upon them and their families, but an end to thousands of projects providing valuable community services. That many projects were continued beyond this date is commendable, but they survive on the same insecure basis of facing a guillotine which has merely been postponed till September.

That is why the Opportunites for Youth and Local Initiatives programs are very much open to debate in this House. My colleagues have done an excellent job in spelling out the difficulties therein. I would like to deal with the problems facing youth in our rural society. Often, we fail to develop opportunities for young people who do not

wish to live their lives in the urban centres. We need to develop a program that will allow these people to live in our rural society. What is the situation in this day and age, Mr. Speaker? In terms of unemployment, most of the 512,000 unemployed in Canada are between the ages of 28 and 44 years. I point out that the average age of the farmers in rural Canada is 57 years. He will soon reach an hour of decision with respect to what kind of people we want to live in the rural areas, and with respect to whether young people will be involved in farming.

According to the 1971 census, there are 15 per cent fewer farms in Canada than there were in 1966, a mere five years ago. The 1966 census showed that there were 85,686 farms in Saskatchewan, and the 1971 census showed only 76,970 farms there, a negative variation of 10.2 per cent. This illustrates the fast dwindling population of the rural areas. Most of those who are still there are in the age bracket over 50 years. The loss of these farms is directly related to the loss of jobs in the small communities, towns and villages that serve the rural areas. We also find a loss in the populations of these small towns and villages. You find, for example, that the 1971 population of Saskatchewan was 926,000 while in 1966 it was 955,000. Further studies of the figures for farm population show that the age groups 20 to 24 and 25 to 29 were lowest in 1966. The urban population in this country has increased to 73.6 per cent in 1971 from 69.6 in 1966. There is an ever-increasing number of people living in urban areas, quite often in urban squalor, having abandoned the rural way of life. It is well known that the move to large urban centres has been the trend over the last number of years, not only in Canada but in all parts of the world.

• (1720)

The policies introduced by the federal government following the task force report on agriculture have accelerated the depopulation of the rural areas because they introduced the concept of the elimination of two out of every three farms in Canada by 1990. This was proposed in the name of efficiency. The agriculture industry is expected to be self-sufficient, though it competes on the international market, while the industrial sector is subsidized through grants, forgivable loans, grants for research work, while at the same time having its markets controlled through administered prices. Not only does that situation affect the interests of young people who want to go into farming, but it affects young people in other government programs.

One of these policies is related to the Farm Credit Corporation. This Corporation has been very useful in the past in helping farmers get a certain amount of credit but the kind of collateral needed to get a loan puts young people, farmers and others, out of the running. There is no provision for the non-farmer who may have grown up on the farm, who now works in an urban setting but wishes to return to the land. Perhaps the third or fourth son of the family works in a co-op or a steel plant in Regina. He may grow tired of an eight hours a day job with no control over his production, and faced with a certain amount of boredom, may wish to take up farming. However, under these policies he does not have the option of going back to the land.

[Mr. Knight.]

Speaking of the federal government policy to accelerate the depopulation of rural areas, I need only point to the small farm consolidation plan introduced by the Minister of Agriculture (Mr. Olson) under the guise of amendments to the Farm Credit Act. This is a program to further rationalize the agricultural sector. It should be called the "bigger farm consolidation plan"—take two farms and make one or take three farms and make two. There are no options in the plan for a young man who wants to take over his father's farm. If he wants to expand a half section to one section, there is no option for him within the plan. The only option is for the young farmer to move off the land and to sell it to people presently in the farming industry. There is no option to go back on the land, Mr. Speaker, and I think this is an important point.

I need not go into detail about the difficulties facing a young man who wishes to go into the dairy business or the difficulty he has in getting a quota from the Canadian Dairy Commission. He must get this from a farmer who is selling out and usually he must buy the herds as well. The task force report talked about the elimination of farms, the need for larger farm units and this puts small farmers and young couples who want to go into farming at a distinct disadvantage.

It is often stated in this House that it is the duty of the opposition to oppose, but what I want to do today is to point out to the government some of the real dangers in their philosophy and policies and try to change this trend toward depopulation of the rural area. What is needed is a new rural development policy, a policy of "back to the land and a rural setting". Though it may sound conservative in some ways, I suggest this is a radical approach to the problem of unemployment in Canada. The world population trends are toward the development of large urban areas at the expense of rural areas. A rural development policy should contain a positive provision for income maintenance to show there is a future in farming, creating the incentive for a young man to go into farming. There must be a kind of quarantee that he can earn a reasonable income on the farm. There is no need for cases such as those in my constituency in which a young man with a wife and family finds it necessary to go to work in the mines in order to supplement the income from five quarters of land.

What is needed is an over-all income support program and guaranteed price levels for grain and other commodities. For the young man who wants to go into farming, there should be easy credit facilities to enable him to return to the land. This could be done if less collateral were needed to obtain a loan from the Farm Credit Corporation, and if there were a subsidized interest rate. A young man working in a plant in Moose Jaw or Regina who goes to the Farm Credit Corporation is asked what kind of collateral he has. Coupled with that kind of loan program, what is needed is a national land bank scheme to make land available to young farmers who have no capital. This program is being worked out in the province of Saskatchewan. I suggest that a land bank scheme across Canada, aided by the federal government, would be of benefit to young people interested in going to rural areas.

Most people who are not familiar with rural areas think only of farmers in that setting, but we need to develop options for professional people as well, those who wish to live in small communities where the air is cleaner. That can be developed through a system of special grants for medical students who wish to practice in rural settings. Nurses, dentists, teachers and lawyers who go into the educational system can say that when they have completed their education they wish to practice in a rural setting. On that basis we would enhance the development of a rural area for the production of goods by people on family farms, and not other interest groups.

• (1730)

Further to that, at the national level we need legislation which prevents foreign ownership of land. We need strong legislation, not the piecemeal kind of legislation we see in the foreign takeovers bill now before the committee. We must prevent foreign ownership of land. We want to prevent situations where you have an Oklahoma lawyer buying 45 sections of the top land in Saskatchewan. Further, we must prevent the corporate ownership of land by such companies as the National Grains Company. We must prevent corporations in the food processing industry buying large tracts of land for their own purposes.

It is not, as some people suggest, a selfish motive on the part of those of us who represent rural areas to speak of the development of a kind of option for unemployed young people and young couples to move into rural areas. If you develop a strong rural community with support services to take off the pressure from already overpopulated cities, as well as creating a domestic market for urban manufactured goods you attack the problem of unemployment in the age group about which I spoke at the beginning of my speech. This enhances the number of people involved in the rural areas and at the same time creates purchase and demand power for goods manufactured in the cities. This further enhances the employment situation in the large urban industrial areas.

It is very easy to speak in that manner. Even with the loss of 15 per cent of our farmers in the past six years, the farmers of this country still use more horsepower than Canadian industry. They need the equipment with which to operate. In terms of the entire food industry, farmers constitute 35 per cent of the work force in terms of employment; they purchase 30 per cent of the fuel requirements within the boundaries of Canada, 40 per cent of the tires and 40 per cent of the iron and steel sold in this country. In this way they keep the farm machinery workers employed in the city of Brantford and people working in iron and steel production areas. They create employment throughout this country. They create consumer demand which helps reduce the unemployment problem throughout this nation.

If we continue the present trend of depopulation and the federal government accelerates the trend in respect of rural areas, markets for domestic goods will further decline and there will be more unemployment in urban areas. When we developed this nation at the turn of the century—I do not like mentioning his name because of this political allegiance—Mr. Sifton produced an over-all policy of developing the west as a market for eastern goods. Essentially, we still live in the kind of society where rural areas are important trade areas for industrial goods.

We sometimes complain about eastern tariff protection, and justly so, unfair freight rates and the unfair prices we pay for farm machinery; but what could hold confederation together through the development of a strong rural population which produces the grains which keep our balance of payments in order as well as creates a domestic market for manufactured goods. We must change agricultural policy so that the age of the average farmer is 27 or 37 and not 57. We must come to grips with this kind of rural development policy in the seventies or eighties, before it is too late.

[*Translation*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Boulanger): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg North Centre (Mr. Knowles)—Veterans Affairs—Consideration of increase in basic rate of war disability pension and veterans allowance; the hon. member for Hillsborough (Mr. Macquarrie)—External affairs—Denmark—Denial that Danish fishing cause of depletion of Atlantic salmon stocks—Government position; the hon. member for Selkirk (Mr. Rowland)—National Defence—Request for assurance that fourth training squadron based at Esquimalt will be operational this summer.

[*English*]

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED FAILURE OF GOVERNMENT TO PRODUCE PROGRAM TO DEAL WITH UNEMPLOYMENT AMONG YOUNG PEOPLE

The House resumed consideration of the motion of the hon. member for Yorkton-Melville (Mr. Nystrom):

That this House regrets the failure of the government to produce a comprehensive and coherent program to deal with the growing unemployment among our young people and its disregard of youth's legitimate aspirations.

Mr. Barnett J. Danson (Parliamentary Secretary to Prime Minister): Mr. Speaker, it is rather interesting to follow the hon. member for Assiniboia (Mr. Knight). I sympathize with the concern that he has, particularly when he represents a constituency that has produced great men like himself and his late and very respected predecessor who served on the other side of the House.

The lack of youth working on farms creates a great problem. I wonder whether the hon. member is trying to

turn back the laws of economics to the time when 70 per cent of the population in this country lived and worked on farms at the beginning of the century. It is now about 10 per cent of the population. I would hate to question these economics, when the hon. member for Vancouver-Kingsway (Mrs. MacInnis) and others of her party get up on the "late show" and question the cost of food, if we hope artificially to stimulate in a non-economic way the cost of producing food. I do not know about the dairy farmer: I think he faces some "udder" frustrating situations; I suggest he is on the horns of a dilemma.

The hon. member spoke about foreign ownership of land. That is an interesting point, because his Saskatchewan government considers any land owned by people outside that province to be foreign owned. That would make René Levesque look like a federalist. The hon. member for Wellington (Mr. Hales), who preceded the hon. member for Assiniboia—

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

The Acting Speaker (Mr. Boulanger): Is the hon. member rising for the purpose of asking a question?

Mr. Knight: Yes, Mr. Speaker.

Mr. Danson: I would like to continue, Mr. Speaker, because my time is so short. If there is time at the end of my speech, I would be delighted to answer the hon. member's question. The hon. member for Assiniboia and the hon. member for Wellington referred to an ad hoc approach. I suggest it is a very flexible and responsive approach, responding to the reasons which the hon. member for Wellington gave, such as lack of ability to project into the future. I disagree with him that the Company of Young Canadians has disappeared. I think it has found its role. Mistakes were made, they were seen to be mistakes by the government and the CYC was reorganized. We think it has disappeared because it is operating efficiently and quietly. These are the flexible and sensitive approaches which a responsive government takes.

The hon. member pointed out that there may have been some conflict in municipalities. I know that when the Opportunities for Youth and LIP programs were first presented I spoke to the community leaders in my constituency. They were delighted not to interfere. They realized the scope of the project and that we could achieve co-ordination as we developed more experience in these types of programs. We cannot expect perfection, but we are making progress.

The hon. member for Gander-Twillingate (Mr. Lundrigan) referred to the book entitled "Future Shock." It is interesting to note that in "Future Shock" Toffler says: "In dealing with the future it is more important to be imaginative and insightful than to be 100 per cent right." I think it is terribly important that that be the principle. If we work until everything is perfect and we cannot make mistakes, we usually end up, to use the cliché, with too little and too late. We must be prepared to experiment and make mistakes.

I wish to quote from a lead editorial which appeared in the June 10 edition of the *Financial Post*. It refers to LIP which was started in a hurry and mistakes were made. The article reads in part:

> The success of LIP is now well documented and it is easy to understand why manpower minister Bryce Mackasey should want to see it continue in some form far into the future ... At a time when jobs were needed, it created an impressive 92,000. Perhaps even more significant, almost half of the people involved in the program were removed from the ranks of those drawing unemployment insurance or receiving welfare.

It is interesting and significant that a financial journal should say this. The editorial continues:

• (1740)

> To a whole generation of young adults who had been bombarded with anti-establishment views, here was the establishement coming to them on their own terms and providing the funds needed to carry out projects that the young felt were important and valuable. Young and not so young found themselves working side by side, and getting satisfaction from it.

I think this is very significant, because I have the impression that when the history of the period is recorded, one of the greatest accomplishments of this government will prove to have been its ability to participate, to "tune in" a whole generation of youth which had been disenchanted by and alienated from the structure of society in all its forms, including government. Now, instead of opting out they are opting in. Government was responsive to their needs and they in turn responded nobly.

I hope this is not a caucus secret among my hon. friends, but when this matter was discussed in the early stages I know many of us felt severe criticism would be forthcoming, that mistakes would be made, that misunderstandings would arise. And I was proud of my colleagues in caucus when, having recognized that mistakes might be made, they agreed to go ahead nevertheless because they believed it was right to do so, and take the flak if the flak came. And the flak did come: it came at the beginning; but as the program developed and the thoughtful people saw what was happening—I am not talking about the stupid people who refuse to look further than long hair and shaggy beards and floppy hats—they applauded these projects.

When I hear of a project in my own constituency or in the Toronto region which is criticized in the press, in letters written to the editor or in letters which I receive, I investigate each case individually; and I have yet to find one which was not serving a very worth while purpose, not to perfection but doing a useful job.

I agree with the hon. member for Wellington in two respects. As the father of four sons, I believe counselling is of primary importance and I like the priority he places on it. I agree, too, on the importance of trying to determine the direction in which the whole of our society is moving. As to our ability to project future trends, there are areas in certain disciplines in which we can forecast when shortages will arise. But there are many other areas where projections made today would not be valid in ten years. The velocity of change has been so great that we can well remember when society seemed to turn itself around every 20 years, then every ten years and, later, every five years. Now the rate of change is so fast that I suggest it does so in even less time.

Governments alone do not change faster than they did: good governments even more so. I suggest that future shock is current shock, and I do not mean that in the hydro electric sense of the word. It is constantly with us. This change is what disturbs us, and it is reflected in the mail we receive from our constituents, especially from the older people. Those who are most capable of dealing with change are, in my opinion, the younger people whom we are dealing with now.

I agree we have a great responsibility to project to the greatest extent possible, to listen to Toffler and what he says in "Future Shock," to try not to be 100 per cent right. It is better to make mistakes through bad planning than to fail to plan at all. It is better to make mistakes in an effort to progress than to settle for the status quo.

It seems to have been forgotten, Mr. Speaker, that youth is part of the total economy and that many things have been done to stimulate the economy. Our economic growth has been quite admirable, our exports have reached record levels. After a temporary decline last month, business is again picking up, strengthening our dollar to almost embarrassing levels but showing confidence in the Canadian economy. More jobs have been created than at any other time in our history, more than have been created by any other western nation—more, in fact, than almost all the European Common Market countries combined, with 12 to 16 times our population.

This does not excuse our high level of unemployment, of course, but there are stimulating programs being employed in this regard. For example, there is PAIT from the Department of Industry, Trade and Commerce, and IRDIA for research and development. The Industrial Development Bank is answering a need—I think it could do even more if we extended its terms of reference—in extending half a billion dollars in loans to the private sector. Then there is the general adjustment assistance program, with $60 million at its disposal.

I would also call attention to the use of tax reductions. We must not forget that tax reductions, particularly as applied to the lower income groups, unemployment insurance and welfare payments are made to those in our society who need them the most. For these it is disposable income and it goes primarily in food, clothing and shelter. It finds its way directly into the economy and thereby helps stimulate the entire economic scene. In my opinion it is the greatest stimulant possible. It is not money just given out; it comes back almost at once. The velocity with which money expended in this way moves around is clearly of importance. More people get into the middle income or the upper income group, so we can really scream about our taxes with more legitimacy.

The recent budget, in serving to channel funds to the senior citizens and veterans, a move which everybody applauds, in turn provides a stimulus to our manufacturing sector of the economy. I have seen examples of this in my own constituency as well as across the country. It is amazing to realize what has been done. I recall that after provision for rapid depreciation of capital investment in 1952 we saw the greatest growth in our economy we had ever witnessed, though I am sure there were other factors at work just as there are other factors at work now.

Unemployment among Youth

Our concern today is about unemployment, particularly as it affects the youth of the country. Mr. Speaker, a few months ago I took a survey in my constituency. I would not pretend that it was in the form of a scientific study, and I did not publish the results for that reason. However, it did serve to give me a reading of the feelings of the people in my constituency with respect to unemployment and, more specifically, the nature of the unemployment affecting youth, particularly as I was receiving complaints from firms that they were unable to get people to fill the vacancies which existed.

The greatest response I received to my questionnaire was from youth up to about 24 years of age. They had left school and had never held a job or had held a job for only a short time. I think it is tragic, but we must accept it as something which happens in our society. I do not think we should wring our hands unduly, because this group is the most flexible in our society. However, I agree it is a problem we must deal with.

The next largest group from whom I received a response was that comprising married women. The tragic group which the member from Davenport (Mr. Caccia) mentioned earlier today consisted of men over the age of 45. I think these men deserve a great deal of consideration because they were caught up, perhaps, by the Peter principle as the post-war boom occurred. They may have got into jobs over their heads, and when cutbacks came they were the first victims. Maybe this should have happened; perhaps they were capable at a certain level but found employment which took them beyond that point. There is nothing to be ashamed of there. There are many of us here who must admit that. But the fact is that these people will have a very difficult time ever getting back into the labour force. I would like to see priority attention given to this group. However, that is not the purpose of the debate today.

Incidentally, Mr. Speaker, I believe it was the member for Wellington who mentioned the Manpower offices. According to the results of the survey I have referred to, I do not believe there was a single complaint registered among the many hundreds of responses I received with regard to Manpower offices and the attention applicants received in them. It is interesting to note that 15 per cent of those who replied to the survey had jobs to offer which they could not fill. Somehow we are not meshing. This is part of the approach taken by the hon. member for Wellington.

I am glad this subject has been raised, even though I do not accept the premise of the motion. I think that suddenly people have begun to listen to what is said on this side of the House; perhaps not only what is being said in the House but also outside. They took it as an excuse for high unemployment. We recognize that, and no one can be happy or satisfied about it until it is overcome. But we have to recognize that with this great change in society we are taking new approaches through programs such as Opportunities for Youth and LIP.

• (1750)

However, we are in the post-industrial society, a technological age, an age in which we are producing more with fewer people, and our economy must be adjusted to face

that fact. When I talk of unemployment caused by this period of change, I am not talking about hard-core unemployment or saying all unemployment is caused by this change. Leisure time will be expanding as we move into the four-day week. But leisure time does not necessarily mean wasted time.

As pointed out this afternoon, people are entering the educational system today and emerging with training for jobs that do not exist any more. So there has to be retraining, and it might happen that people might have to be retrained several times in the course of their lives. Hence our educational approach might have to be shifted on to a more general basis.

With regard to early retirement, the age of 65 is now perfectly acceptable as the age of retirement. We must look at the structure of our society and not categorize something as employment or as unemployment. There is nothing disgraceful about being unemployed, about doing something that is not necessarily in the productive process; but I would challenge youth to get into the productive process.

When I speak to students at schools and universities, or young people in my constituency or elsewhere, I often ask how many of them are going into business and management—at this stage of the discussion we are usually talking about foreign ownership—and at most two or three hands will go up. Then you point out that someone has to operate this particular segment of society; if someone in our country does not do so, someone from another country will. This is why we have to look at youth training and motivation. It is a two-way street.

I suggest that if our youth do not move into the productive and economic processes of this country, these processes will be managed by somebody else unless we are satisfied simply to live in our commune. Again, when I talk to students and we are discussing all this doom and gloom about foreign ownership, if it is a university group I usually ask them how many of them have cars and 50 or 60 per cent of the hands go up. Then I ask them how many have cars built under the automotive trade agreement. They look a little perplexed at that question. Then I ask how many of them are driving Datsuns, Toyotas, Volkswagens, Fiats or Morris Minors, and probably 99 per cent of the car owners put up their hands. They buy those cars because they are cheaper. I tell them that that is the price we would have to pay for economic nationalism.

We all remember the baby boom just after the war which started a great run on cribs, diapers and things like that. Then we needed nursery schools, day-care centres, elementary schools, high schools. Now this baby boom has found its way into the labour market. I do not know why this projection was not made sooner, but it was not. Let us just project the picture a little further, to the end of the century which is only 28 years away, or perhaps as far as 35 years from today. At that time these youngsters will be our senior citizens. If we do not have a society that is structured to look after our senior citizens, we will be having a baby boom of old age pensioners. At the moment I do not think the Canada Pension Plan is properly funded. We must invest the funds properly to compensate for inflationary factors that may come into play at that time.

[Mr. Danson.]

There are a lot of challenges facing our youth today, and youth are responding to them in a way that I think is most encouraging. We are challenging them in a way they can understand, in a way that is relevant. This is the job that we as parliamentarians must do. Even with all their imperfections, I believe all parties agree that these are good programs. But they must be explained carefully. I know it is difficult not to try to take a political advantage in an election year by pooh-poohing programs such as these or underlining their defects. But we have a special responsibility to make sure that these programs are understood and appreciated for what they are.

They are the forerunners of what might in the future be make-work programs. I know we all have the idea that such programs consist of someone digging a ditch and then filling it in again. But let us have programs of a stand-by nature that we can keep on the shelf, as it were, until they are needed and which can be developed with the co-operation of all over the years. Then in a period of unemployment the programs can be put to good use and enable our people to play a useful part in society.

Mr. Marshall: Mr. Speaker, in order not to break the thread of my remarks this afternoon, may I call it six o'clock?

The Acting Speaker (Mr. Boulanger): Does the House agree to call it six o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Boulanger): It being six o'clock, I do now leave the chair.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

PRIVILEGE

MR. MACQUARRIE—EXTERNAL AFFAIRS—PROPOSED NUCLEAR TEST BY FRANCE—WHEREABOUTS OF "GREENPEACE III"

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I rise on a question of privilege at the first possible opportunity, which is according to our rules. This afternoon the Secretary of State for External Affairs (Mr. Sharp) advised me and the House that *Greenpeace III* was not a Canadian ship. I have since been advised that it is indeed, by the appropriate laws and conventions governing such things, a craft of Canadian registry, a Canadian ship. I am further advised that for a worrisome length of time there has been no communication from *Greenpeace III* and disturbing rumours of her apprehension by vessels of the French navy.

I therefore urge the government to move with utmost dispatch to concern itself about the safety and well-being of Canadian citizens aboard this ship in grave danger, and

I urge that the House by unanimous consent allow an opportunity for a representative on the government side to set the record straight since this matter concerns Canadian citizens in a dangerous area abroad.

Mr. Paproski: They just don't care over there.

The Acting Speaker (Mr. Laniel): Order, please. The hon. member has raised a question of privilege before the House. I must refer him to Standing Order 17 which provides that whenever an hon. member has a question of privilege not related to the debate taking place, he should provide notice of one hour to the Chair before raising the question. Because the hon. member did not follow up his question of privilege with a motion, I think I should call upon the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall).

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED FAILURE OF GOVERNMENT TO PRODUCE PROGRAM TO DEAL WITH UNEMPLOYMENT AMONG YOUNG PEOPLE

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, when I called it six o'clock the hon. member for York North (Mr. Danson) was speaking about the Opportunities for Youth program. I fail to follow his line of reasoning or the reasoning of the government in dealing with an Opportunities for Youth program for Canadians. I am happy to be able to speak on the NDP motion put forward by the hon. member for Yorkton-Melville (Mr. Nystrom), who happens to have the honour of being the youngest member in the House. Certainly he is concerned about employment for youth.

Unemployment in Canada during the four years I have been here has, unfortunately, faced the most important component of our working society, that is, the young people. Figures released just last week show that almost half of Canada's unemployed in May were under the age of 25, even though this age group forms only one quarter of our total labour force. The Economic Council of Canada has estimated that only about one quarter of the total increase in the labour supply during the first half of the 1970s will come from the 14 to 24 age group. However, because unemployment rates are so high in this group, the growth in employment needed to reduce unemployment to a level consistent with an over-all national figure of 3.8 per cent of the labour force remains extremely high. In fact, the council estimates a need for 364,000 new jobs for youth the 1970-75 period if the goal of reducing unemployment is to be met.

• (2010)

The record of the government in coping with the challenge outlined by the Economic Council has been extremely poor. In the first two years of the 1970-75 period only 78,000 new jobs were created for Canada's young people. This is only one-fifth of the total requirement of

364,000 jobs forecast by the Economic Council. At this rate, barely half the jobs needed for Canada's young people will be created by the target date of 1975.

The Opportunities for Youth program and the Local Initiatives Program have been the government's main answer to youth unemployment. Both these programs fall incredibly short of filling the demand. For example, this past winter the Local Initiatives Program provided non-construction jobs to only 25,500 young people during the November to May period when unemployment for that group averaged 253,000.

One must also consider the fact that slightly more than 100,000 jobs will be provided by the federal government in the program for the summer of 1972. This can hardly be expected to meet the demand of 1.3 million students hitting the labour force this summer. To date, the government's initiatives in dealing with youth unemployment have fallen far short of meeting the need.

In my region, the Atlantic region, the need is certainly great. In May, 1972, 9.9 per cent of Canada's youth labour force were in the Atlantic region but over 12 per cent of the unemployed youth lived there. Last summer, the unemployment rate for students intending to return to school in the fall was 21.5 per cent, far above the national average of 17.9 per cent.

The problem of youth unemployment and the failure of the government to deal with this problem has resulted in a great deal of human tragedy. Across the country thousands of young people are being forced to apply for welfare when no other channels of support are open to them. Unfortunately, there is too much suspicion today that young applicants for welfare are scheming to gain an easy life at the expense of society and the taxpayer. Cries have been raised that welfare benefits should be withdrawn from most young people or that their requests should be severely scrutinized and assistance, if granted, kept to the bare minimum.

To get an objective, factual view of this problem and attitudes toward it, the Canadian Council on Social Development interviewed some 300 young applicants for welfare across the country. A major conclusion reached by the council was that the current high rate of unemployment was a significant cause for the rise in the number of young people applying for welfare. It is not a case, as many people think and as the Prime Minister (Mr. Trudeau) has stated publicly, of youth actively choosing a new way of life that negates the work ethic and accepts, instead, the desirability of the full-time pursuit of leisure and non-material goals. There is a strong contrast between the reasoned and factual study by the Canadian Council on Social Development and the erratic, misinformed whinings of the Prime Minister. The council said:

> A lot of young people cannot find employment; and many of them complain that they cannot find meaningful work. In a highly industrialized society, where relationships are becoming more and more depersonalized, young people are desperately trying to find someone who will care enough to try and understand the ordeal of looking for jobs that seem non-existent, of having to face the humiliating experience of asking for the means of subsistence, and, moreover, of struggling with the feeling of unworthiness that comes after repeated failure.

Compare with this compassionate appeal the arrogant approach of the Prime Minister who said in London last November:

> Isn't it true that perhaps more and more people are turning away from the work ethic and they don't accept that meaningful employment is employment necessary to produce more material goods . . . More and more of the young people are sort of saying, "Well, it's the quality of life more than the abundance of material goods". And some of them are unemployed, but their life is more meaningful being unemployed—that's their judgment—than somebody else who works a 40-hour week and produces something which in their judgment is of no use to society and perhaps may even be of negative use—

Not only is the Prime Minister lacking in compassion but he has used a non-existent youth anti-work ethic as an excuse for glossing over a major problem which he lacks the desire or ability to cope with. Youth is not content to live a passive life, nor to live on welfare, the council found, but instead are just as zealous in their job-seeking and just as intent on being self-sufficient as are older generations. Unlike the Prime Minister, who believes that unemployment among youth is meaningful, according to the just quoted excerpt from his speech in London, Ontario, the council found just the opposite. The report of the Canadian Council on Social Development states:

> —the young social assistance applicants who were interviewed have by no means rejected the concept of work and its central importance to their development and self-fulfilment. Most of the young people interviewed bitterly resented being forced to apply for welfare . . . The need for meaningful activity and the desire to be self-supporting are deeply ingrained in them.

The Prime Minister's opinion that youth have rejected the work ethic is not the only fallacy of his that is destroyed by the council's research project. The Prime Minister has frequently moaned about the apparent refusal of people, particularly young people, to move to new locations where jobs are supposedly available. Again, the evidence shows the Prime Minister is wrong. In Niagara Falls on April 2, 1971, the Prime Minister made a claim that he has repeated often before and since that date:

> We would make sure that the unemployed in Canada is much lower if you were to allow us to send you, or your young children to work where there is work in Canada. And there is indeed a lot of work in Canada which is going without being filled. Several members of northern Ontario have told me . . . any number of young people who want to go and find jobs up there in the mines, they can find them. So, there's unemployment in one area, perhaps because some of the young people don't want to leave their homes or their girlfriends, or I don't know why—

The Canadian Council on Social Development, like all other responsible analysts of the situation, rejects this charge against unemployed young people. It says:

> Young (welfare) applicants seeking employment cannot be reproached for lack of mobility. Of those who had turned down a job only 8.7 per cent did so because it was in a place where they did not want to live. These individuals represent only 2 per cent of the total population of young (welfare) applicants.

The Prime Minister's slurs against Canada's youth are therefore shown by the council to be ill-founded. The cause of the problem, according to the council, is not that young people are inherently lazy or anti-establishment; instead, it states:

> Collectively these young people are largely victims of circumstances over which they have virtually no control. Among these circumstances are rapid technological and social changes and the trade-off between full employment and inflation.

[Mr. Marshall.]

The figures on the number of unemployed young people victimized by federal economic policies and forced to apply for welfare are appalling. In my home province of Newfoundland the number of welfare cases in the 15 to 19 age group jumped from 626 to 1,425, and in the 20 to 24 age group the number increased from 1,044 to 1,311 during the period March, 1970, to March, 1971, even though the total number of short-term social assistance cases decreased by 6 per cent over this period. These young people do not opt for a welfare way of life; they are, quite literally, forced into it.

• (2020)

According to the report of the Canadian Council on Social Development there is evidence that some young people are prepared to go hungry before they apply for welfare. The values ingrained in them by their upbringing have made them consistently hostile to the idea of welfare, and they are difficult to shake off even when the young people are faced with hunger and deprivation.

Most of the young persons told the council's interviewers that they rejected welfare as a way of life; 97.3 per cent said welfare was only a temporary form of relief for them, and more than a third considered it "a big trap". But most had no other option. The majority came from homes with large families and below average incomes and were unable to return home. For most, a low level of education was also a major handicap. Canada's young people do not want to live on welfare. As stated in the Ottawa *Journal* of June 12, 1972:

> This is a most depressing and worrying situation. Somehow our society in the private as well as government sectors must shape itself so that the young can go to work. If they do not it will mean far more than so many statistics about unemployed—it will mean the people who will compose the future of this nation are soured and frustrated, and their spirit no less than their citizenship will bear blighted fruit.

One of the things that really surprises me about this government, Mr. Speaker, is how they can destroy a good idea instead of capitalizing on it. I am referring to the Department of National Defence student summer programs. Last year the government conducted reserve force and cadet training with some innovations that were excellent. I refer mainly to that part of the program which afforded work at defence establishments for thousands of youths and which taught them leadership, citizenship, first aid, pollution prevention, and gave them other valuable experience which would stand them in good stead in their adult years besides providing them with a few hundred dollars to further their education.

The Department of National Defence went so far as to conduct a survey of students and parents and found that in 90 per cent of cases the results were tremendous and the programs were acceptable to both students and parents. One of the oldest fundamental lessons of military leaders is to reinforce success. I do not know how many times I have commended the government on this program and asked them to expand it, but all to no avail. This year, again, there are three levels of training for the army reserves. First and second year courses will follow the seven-week format of last year, and a new course will be offered to those who passed the second year training program last summer.

Civilian leadership and citizenship training will again be offered, as was stated in the department's news releases. This year, however, the emphasis will be on community assistance projects such as anti-litter and anti-pollution activities and applicants are to apply again to Manpower Centres. What happens in my province of Newfoundland which, as everyone knows, is one of the regions where unemployment is always the highest in the country? A quota of 50 has been allotted to the whole province of Newfoundland, in the city of St. John's where it is needed, when last year there was a quota of some 300 for the province.

This is a program designed to provide employment for students in the 17 and 18-year age group to work toward community assistance, to clear debris on beaches, to provide recreational facilities, to teach them first aid, safety and leadership. They earn about $500 for the summer, which enables the matriculating student to pay for his education at a higher grade or helps him pay for university education. So what did they do? They cut the Newfoundland quota by more than 50 per cent and they allocated it to one city.

The most surprising thing about this program, however, is the fact that it is limited to just over 2,000 youths across Canada. Again, who suffers? It is the student in the outlying, remote and isolated areas who also wants to further his education but who is discriminated against. For some reason or other we discriminate against people outside the larger cities and fail to realize that they are Canadians also.

The same situation has occurred with regard to the approving of Opportunities for Youth programs. The government failed to realize that we have a rural Canada whose citizens are Canadians also, and these Canadians want to take advantage of the quality of life and of the participation that this government talks about repeatedly. In my province the government has selected only one in ten projects without giving any consideration to the people who should have benefited. They are so concerned about moving 80 per cent of our Canadians to three or four urban centres that they have lost all consideration for the needs of the people. The rural youth of our country and their parents are asking Members of Parliament why their projects are being turned down continuously under the bogus proclamation of equality of all Canadians regardless of the part of the country from which they come. These words are meaningless, Mr. Speaker; they are empty and false.

One of the major policies of the Opportunities for Youth program is that priority will be given to post-secondary students who submit programs. I feel that this specification conflicts with the idea that regional disparity be given major consideration when assessing a project. Little allowance has been made for young people between the age of 14 and 24 who, because of social deprivation due to poverty, have had little opportunity to achieve post-secondary educational status let alone achieve a post-secondary education. Where poverty is intense, aspirations for further education are stifled by the primary need for food and shelter.

Unemployment among Youth

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired.

• (2030)

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I apologize to the hon. Minister of Manpower and Immigration (Mr. Mackasey) who apparently wanted to speak but as he waves me on, I thank him. He is a real gentleman.

The motion of the hon. member for Yorkton-Melville (Mr. Nystrom) is very interesting. I congratulate him for giving the House the opportunity of studying once again this sad problem of unemployment, which is so distressing for young people who want to enter the labour market.

I would like to consider this problem very objectively because it is very serious. And I must say that every one of us is trying to help the government solve it so that society will fare better.

It is a fact that unemployment leads to misery. Statistics have shown us that where unemployment is high, problems are numerous, including poverty which often leads to disorder, one of the most difficult issues we have to face. Despite all the government's efforts and those of the private sector, the fact still remains that unemployment is stubborn and its seriousness is becoming very disturbing.

On top of unemployment among students who are looking for summer jobs, a great many young people regularly enter the labour market and wish to contribute and make others benefit from the results of their studies because, for the majority, they are educated unemployed. Yet, they were told that education was the solution of their problems.

I have here evidence submitted by someone highly qualified in that field, former university rector Davidson Dunton. He made a statement which should give food for thought, saying:

> The 60's were the golden age of enthusiasm for universities. After the relative shrinkage in attendance during the previous decade, universities then went through a period of extremely rapid expansion, moreover with the blessing of governments which launched policies of general availability of education and of financial support for learned institutions. But a major change was to come about at the turn of the decade, with the appearance of the phenomenon called educated unemployed. It was realized that the university can no longer be considered as the most reliable passport to good jobs and a high standard of living.

That is a fact which we are now experiencing.

It is extremely deplorable to meet people—which happens very often—who have studied for years, who have obtained a degree, who have made efforts, who have been subsidized as students by society so that they could earn a living and be useful to the community, but who cannot find a job once they enter the work force because of an economic context that will necessarily have to be changed. All sorts of things have been proposed to help them and prepare them for a working life but nevertheless they remain unemployed. Some of them are disgusted as a result of this.

Very often representations are made to me by young workers who could get a job but lack an identification

card and work permit. I will admit this is not a matter of federal responsibility, but the same people have nonetheless to come under both the federal and the provincial jurisdiction. They are asked to meet requirements beyond their power, in the sense that they must have been part of the labour market for a certain number of hours before they can apply for a permit to work in the building trade.

Nowadays, the construction field covers so much that it involves most of the sectors of Canada's economic activity. That is how these people have to travel from one office to another, they are told to report at such a place, at such a manpower centre, and after having been through all that, they return home flat broke, without a building trade permit or any identification card which would have been their only key to the labour market.

A few months ago, the right hon. Prime Minister (Mr. Trudeau) declared during an interview, and I quote a newspaper article entitled "Apparently more jobs available than people to hold them".

> If people are not found for all the jobs, he said, it is because they are not prepared to work for lower salaries or to move.

This is fact, he was telling the truth. Most people do not want to work for a salary lower than the benefits paid to those who do not work, people who are on welfare or who receive unemployment insurance benefits. It also happens that some workers do not want to move because they have no assurance that they will be able to establish themselves permanently and make a home. These are problems that all arise at the same time and which make life extremely difficult for them.

As a solution the Prime Minister suggested that it might be a good thing for the students to attend classes 12 months a year. But since education falls under provincial jurisdiction, he let the door open for the provinces to arrange the academic year in accordance with the present context.

Here is that part of his comments which I think is quite appropriate and I quote from a newspaper:

> Were it not for the type of school year set-up that now prevails, a school year related to rural life where schools and universities are attended during the winter months and where summer work on the farm is provided to pay for winter expenses, and so forth, we would certainly not have this sudden thrust of young unemployed people seeking work in summer-time.

There was a time when farming was one's last chance. There was plenty of room there. Those who could do nothing good elsewhere, would be told: "Find a job on a farm".

However now, farming has become a noble profession, but it is not profitable enough to allow farmers to pay wages as high as those paid in other industries. The farmers have a real problem: how to secure the necessary manpower. Jobs are available, but farmers can't hire workers because of their inability to pay them fair wages or, at least, wages equivalent to those paid in industry.

Therefore, there are two problems in Quebec: The farmer is unable to hire the necessary manpower for his operations and the farm help refuses to work because wages are not high enough.

[Mr. Lambert (Bellechasse).]

• (2040)

The other day I was flabbergasted when I heard the Deputy Minister of Agriculture of Manitoba say at the committee on agriculture that the same phenomenon existed in Manitoba. And I imagine the situation is the same all across Canada.

At present, large herds are being auctioned. In fact, agriculture is being destroyed throughout Canada because of the problem of manpower which prevents mature people from continuing to operate their farms.

Some attention will have to be paid to this problem to make agriculture more profitable and to enable farmers to pay higher wages in order to meet the labour market requirements.

Mr. Speaker, much could be said in this regard, but I must, of necessity, summarize my remarks to submit certain proposals to the attention of the government.

If students are to attend school for longer periods, they will have to be guaranteed a minimum income to face their main obligations; parents do not generally have the means to provide for their sustenance over a 12-month period because of the high cost of living.

I have here an article published in *L'Action* on May 29th, 1972 and whose author is not without distinction since he is Mr. Fernand Dumont who knows what he is talking about. I quote:

> Pointing out that one fourth of all families with children of eighteen or under are poor, Mr. Dumont deplored the absence of a federal family policy and forecast difficult days ahead for the working force of tomorrow which will have to support a heavy load of dependents, children and aged people.

That amounts to what a Liberal member was saying this afternoon, namely that a middle-class man who is operating a business or an industry or who holds a rather lucrative job will necessarily and increasingly bear the costs of a disorganized community suffering from unemployment and where destitution will soon be rampant.

And Mr. Dumont added the following:

> "I do not understand why more emphasis is not laid on the family aspect of the financial policy" stated the speaker who maintained that "lack of concern" of the state for the family is one of the main causes of poverty in Canada.

This is why I urge the government to have the family allowances bill passed as soon as possible so that needy families may enjoy increased benefits. This is a modern way of increasing family incomes without affecting either salaries or the income tax of the persons I referred to earlier.

I keep on quoting:

> "Undeniably, starting with an awareness of poverty, we will have to undertake a thorough social reform", he added.
>
> And this social reform, according to the sociologist, must be something more radical than the $100 minimum weekly salary requested for public servants by labour unions.
>
> "We are not truly wealthy and our standard of living rests upon extremely precarious foundations" Mr. Dumont said, noting that among industrialized nations Canada has the highest rate of unemployment.

This afternoon, I heard a member say that the number of jobs in Canada had increased more proportionately to the population than in any other countries.

This is possible; I do not challenge this statement but I suggest that the number of jobs is not increasing fast enough to meet the demand of qualified persons that could work and participate in the economic development of our country and insure greater prosperity to all of us.

Unfortunately, Mr. Speaker, as I have said before and say again tonight, we should reconstruct our policy if possible and if it is the government's wish. We have put all our eggs in the same basket; as of 1960, we have witnessed a rush towards education which was supposed to solve all problems. We would say to the young: Get an education. Once you have your diploma you will be able to enter the labour market and earn a decent living.

At that time, we were able to use data from previous years to make such statements. I think these were made in good faith, but I deplore as I did at that time that provinces spent the most part of their budget on education and that they neglected to develop industry and the public sector so as to create jobs for young people who would complete their education. Unfortunately, they have been caused to miss the boat, because we neglected to act in that field.

One of the solutions that we would implement right away in order to allow young people to enter the work force as soon as possible would be to lower the age of eligibility to pension from 65 to 60. Of the numerous letters that I have been receiving about this subject, only one was written by a person who asked not to lower the age of eligibility to 60 because he wishes to continue working. He will always remain free to work until he is 72, if he wants to.

Saturday, I met a man of 74 in Saint-Michel-de-Bellechasse in my constituency, who is a plasterer and will not "give up". He wants to do plastering. That is his business, but it does not prevent him from receiving an old age security pension. However, there are 60-year old people who cannot do that type of work, and who are in need.

My eminently practical suggestion should be accepted, and the act should be changed in order for people 60 years old and over to receive an old age security pension so that jobs may be freed and young people may have a chance to enter the labour market.

I feel this would be good policy, as young people are full of energy, and if they do not do good they will do bad. This is the way I was, and I do not think that today's youth is any different. Once you reach a certain age your experience of life makes you a little more settled. You can be idle without putting your time to bad use.

This is why I feel we should change the act as soon as possible.

Mr. Speaker, here is another means to solve this serious problem: to increase the budget for public works. Several projects could be carried out and used to advantage by the people. We have several at present under the Local Initiatives Program, a program which in most cases has been welcomed by the population, although it is only seasonal. We should try to make it more permanent, to the extent that it meets the needs of the people.

Mr. Speaker: Order, please. I am sorry to interrupt the hon. member, but his time has expired.

Unemployment among Youth

[*English*]

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, I apologize for not taking the opportunity of staying in the House all day and listening to the contributions made by various hon. members on the opposition motion proposed by the hon. member for Yorkton-Melville (Mr. Nystrom) which reads:

> That this House regrets the failure of the government to produce a comprehensive and coherent program to deal with the growing unemployment among our young people and its disregard of youth's legitimate aspirations.

In introducing the subject I think the hon. member has given members from all parties an opportunity to express their opinions on what I believe to be one of the most serious problems of the day and certainly of the decade. In the four or five speeches that I have listened to, however, I have noted that not too much distinction has been made between university students, young people, young married people, between unemployment as a whole and unemployment as it relates to certain categories of the population, in this case young people.

Statistics bore me, as I am sure they bore most people, but there are a few that I should like to put on record in light of some of the statements that have been made. Before doing so, however, I would like to take the opportunity of enunciating my own philosophy as Minister of Manpower and Immigration.

In his opening remarks the hon. member for Yorkton-Melville quite properly and quite astutely anticipated what argument would be advanced because it is a logical argument, and that is, the peculiar, unique fact that in Canada at the present moment we are, and for a few more years we will be, experiencing the largest growing work force amongst young people in the world. This goes back to the years after the war when so many of our young people came back to set up family life. The fact remains that the growth in young people in the work force in Canada is greater than in any other industrialized society. This by itself is not a very good excuse. As a government, as a nation, we have a responsibility in light of this peculiarity, I might say, in the work force to try and meet the challenge.

• (2050)

In 1965, the House leader piloted through the House of Commons the Department of Manpower Act, which department I now have the privilege of administering. As far back as 1965 the department was fairly well oriented toward the work force as it was then composed. I do not think the characteristics and problems of the work force today are quite the same. This is reflected in my bringing forth Bill C-195 which is presently in committee and should be before the House any day for third reading.

Before we talk about manpower in the future, the potential of the department and where we should and might be going with a proper degree of co-operation, I want to point out that the growth in employment over the past ten years of those between the ages of 14 and 24, which is the group of youngsters we are talking about today, has been 57.8 per cent, compared to a rise of only 33.4 per cent in employment for all other ages. This is hardly a record of a government that has been callous, negligent or unaware

of the problems of the particular group of Canadians mentioned in the notice of motion, the young people of Canada. I repeat that over the past ten years we have increased the number of young employees by 57.8 per cent, compared to 33.4 per cent in the growth of employment in all other age groups.

When we get into the question of Manpower programs, in their scope they embrace the whole work force from age 14 on, in some cases past age 65. These Manpower programs have been quite properly tilted in favour of young people. Although the young people form 24 per cent of the labour force, under the occupational training program no less than 40 per cent of the courses are placed at the disposal of this 24 per cent of the labour force. This indicates, once again, that we are quite logically devoting a disproportionate number of courses under the Manpower occupational training program to the young people of Canada.

With regard to Canada Manpower mobility programs, the young man who introduced the motion claimed that we have not done anything at all about youngsters with legitimate aspirations, or have not in any way taken into consideration their particular problem. We find that the young workers under age 24 have taken advantage of this mobility program, and that 35 per cent of all Canadians relocated through the mobility program in 1970-71 were youngsters under age 25, again well above the 24 per cent of the work force which they represent. I could give a lot of statistics. Each and every case indicates that a disproportionate amount of money, number of places and emphasis has been placed on the youngsters coming into the work force for the first time.

Opportunities for Youth is not the type of program that I consider to be particularly geared to alleviate unemployment. I think its main purpose is to provide a quality of life and some diversion for our youngsters in high school and university. It provides them with an opportunity to travel, to see this country, even to virtually loaf, if one wants to use that expression, and at the same time contribute usefully to society. It has been a very imaginative program but its main thrust is not solely to create jobs. The winter employment program introduced by my predecessor early last winter was definitely instituted for the specific role of alleviating unemployment. It was highly successful and provided 100,000 to 150,000 jobs and training opportunities. This is a considerable number of jobs and placements.

In addition to the Local Initiatives Program and the programs inspired by the municipalities with their funds, we embarked for the first time on an experiment called on-the-job training—at least for the first time in this country. We allocated $30 million to this program and quite rapidly raised that amount to $50 million. Of those who participated in the program known as on-the-job training, 64 per cent were youngsters under the age of 25. What is even more surprising is that of the $180 million which went to the Local Initiatives Program, or LIP as it is commonly called in this place, 40 per cent went to participants under the age of 25.

If hon. members have the chance tomorrow to review *Hansard* and these statistics they will see that practically every project or program that the government has devised in recent years to offset unemployment, as well as the permanent programs which flow under the Department of Manpower, have all been geared to take into consideration the special characteristics of Canada's work force, namely, the heavy participation in that work force by youngsters under the age of 25. We are very heavily committed to the future along these lines. For the most part, Manpower programs are devised in conjunction with the provinces. We have certain commitments to carry them on from year to year, after consultation with the provinces, according to formulas that are built into the act. So it is safe and logical to say that over the next few years, as the economy improves the emphasis in my department will continue to be directed to the young people of this country.

• (2100)

Reference has been made several times today to the study which was carried out in 1969 to discuss the aspirations of young people. This report, which was entitled, I believe, "It's Your Turn" was submitted in 1971. It was based on extensive interviews with youth across this country, ascertaining their demands and desires and taking account of their suggestions. It is now receiving detailed study in order that our future programs may be based on the desires and suggestions of this important segment of Canadian society.

In Ontario, as other speakers have already mentioned, a similar task force has been carrying out a study on employment opportunities for welfare recipients. We in the federal Department of Manpower were pleased to assist in the preparation of this report by supplying at least two of our senior officials as well as by preparing statistical and other information. This report deals extensively with young people and their problems.

I might mention the work of our special Canada Manpower centres set up to assist students seeking employment. Hon. members might be interested to hear that last summer these special centres were instrumental in finding work for 89 per cent of those who registered for employment. Every fall we survey students to inquire about their summer employment experience, their earnings and their degree of satisfaction with what they had done. Last fall, for example, we learned from students that 80 per cent were satisfied with their summer employment and that 70 per cent felt the work was valuable in relation to their future studies and aspirations. I believe a report based on this survey is now available.

Although our activities among young people have been heavily oriented toward students, they are not limited to students. The department is engaged in a number of pilot projects related to the special problems encountered by young people seeking satisfying employment opportunities, and each year hundreds of thousands of young people come into contact with the counsellors in our Manpower centres across the country. Last year, for example, our counsellors interviewed some 300,000 young people and discussed with them matters of common concern.

I believe I have quoted enough statistics to rebut the insinuations of the sponsor of this motion and to refute the suggestion that we have been callous, that we have disregarded the problems of the young people. However,

it is wrong to think the government is complacent or that the problem will disappear along with growing employment. I feel very strongly that we are living in an age in which the young people of Canada rank among the finest ever produced in this nation.

I have said on many occasions publicly that I sense this to be a time at which, in essence, civilization, if one may use that expression, pauses to take stock, almost as though we had reached another plateau and begun, from that plateau, to question values which had hitherto been accepted uncritically. The young people of this generation are very wonderful people. They have made the politicians of our generation, not only in Canada but in the United States and other countries, pause to take stock, to consider where they are going, what their philosophy should be. Most of the young people I know, in Montreal at least—and I spend a lot of time with them—are looking for jobs. They want jobs, but they need an education as well. In addition to finding employment, they are interested in the quality of their lives. They are questioning the continued existence of slums. They are wondering why there should be so much unemployment when there are so many things to be done to improve the quality of life. They are wondering why in a day of advanced technology we should tolerate poverty and pollution.

It is my belief that the present generation, having posed these questions, will not tolerate a generation of politicians in the future who fail to provide the solutions to those problems. It is because we find before us a myriad of opportunities for improvement in this country and in the world that I am not one of those who endorse the concept of obliging people to retire prematurely in order to give a chance to the young. If we marshall our forces properly and know where we are going as a nation, we can do a great deal to improve quality of life while at the same time reducing unemployment. There is a lot of work to do.

One of the greatest successes of the Local Initiatives Program this winter, regardless of whether projects were initiated in big cities or in small hamlets, has been the willingness of so many young people to accept jobs at moderate rates of income because they felt they were achieving both their goals—first, a quantum of purchasing power as a result of their work and, second, the making of a contribution to the quality of life by the very nature of the project upon which they are engaged. This is to the everlasting credit of these young people and of people in general.

Some of the studies to which reference has been made this afternoon disclose that more than 52 per cent of the people who worked on local initiative programs this winter previously had been in receipt of unemployment insurance or welfare assistance. In other words, despite what reactionaries say—there are still a few of them around—these people could very well have remained on unemployment insurance or on welfare without going beyond the norms of social behaviour. Instead, they felt morally bound to go off the welfare rolls or the unemployment insurance rolls and become involved in projects of the type which they feel are of help to the community.

In conclusion, I shall again mention Bill C-195 which will be before the House very soon and which has received unanimous support in the committee. In addition to this support we have received the benefit of ideas from the hon. member for Gander-Twillingate (Mr. Lundrigan) and spokesmen for other parties as to where the department should be directing its efforts over the next five years. Bill C-195 will remove the three-year rule for the first time since the department became engaged in occupational training. When it is passed we shall be able to provide financial assistance to youngsters who have been in the work force for only one year.

This is in line with one of the recommendations of the Royal Commission on the Status of Women; the change will benefit young ladies entering the work force or, perhaps, widows who need retraining to help them adapt to the requirements of modern-day living. The other main feature of the bill will be to provide on-the-job training for the first time as a permanent feature rather than as an ad hoc program attached to the winter employment plan with the consent of the provinces, as was the case last winter.

• (2110)

Generally, on-the-job training has been a huge success. It has provided jobs, for the most part for young people who are coming into the work force for the first time. The criteria are very stringent, demanding that these people at least be paid the minimum wage and other fringe benefits such as unemployment insurance. It was readily and happily endorsed by industry. The fact that we spent $50 million in a short period of time indicates the ready acceptance of on-the-job training.

I believe that the thrust of Manpower in future will be toward this type of vocational, on-the-job training rather than the traditional type of training in the classroom which the Department of Manpower has been doing very effectively for the last five, six or seven years. I see Manpower in the future adopting the strategy of taking young people at the age of 16, 17 or 18 of perhaps subnormal, or abnormally low levels of education and over a three, four or five-year period giving them an accelerated high school course, a year or two of vocational training and perhaps another year of on-the-job training, hopefully as part of an industrial strategy. Then when we turn out these well rounded young people all across Canada, jobs will be available for them. At the same time, the program will maintain a degree of flexibility so that in its last year or so we may be able to redirect or reorient their final year of training so that jobs are readily available to them and they are readily available to fill the jobs.

Mr. Speaker: Order, please. I see that two hon. members wish to ask questions of the minister. I should indicate at this point that there have been discussions directly between a number of hon. members in an attempt to apportion the time remaining between now and ten o'clock, namely, 45 minutes. There are three members who wish to take part in the debate, the hon. member for Peterborough (Mr. Faulkner), the hon. member for St. John's West (Mr. Carter) and the hon. member for Selkirk (Mr. Rowland). If all hon. members agree, perhaps 15 minutes might be allocated to each of these three members before we call it ten o'clock. If that is done I think it

might be difficult to take time for questions, but that is up to hon. members.

Some hon. Members: Agreed.

Mr. Doug Rowland (Selkirk): Mr. Speaker, may I remind you of the motion now before the House which reads as follows:

That this House regrets the failure of the government to produce a comprehensive and coherent program to deal with the growing unemployment among our young people and its disregard of youth's legitimate aspirations.

It is with the latter part of the motion that I want to deal in my remarks. My colleagues from Yorkton-Melville (Mr. Nystrom), Brant (Mr. Blackburn) and Assiniboia (Mr. Knight) devoted considerable time to documenting the disastrous level of unemployment which affects the young people of this country, the lack of opportunities that such a level of unemployment represents, as well as the degrading effect that continued lack of employment opportunities has upon a young person just entering the job market in a work-oriented society.

To be without work in a society that tends to judge a person on the basis of his or her income, to be forced to seek social assistance in a society which tends to believe that it is lack of application—laziness, if you will—rather than lack of opportunity which makes people accept welfare, to be short of cash in a society which tends to equate worth and material possessions, to be unsuccessful in finding employment in a society which still believes in the great myth of Horatio Alger, in a society which tends to forget that circumstances, as well as ability and application, affect the degree of success that a person may achieve, is truly soul destroying.

Many people, I have no doubt, on reading this motion would be totally puzzled by it. Is there not an Opportunities for Youth program which singles out for special attention young people who have already had opportunities for secondary and post-secondary education? Are there not programs to permit groups of young people to visit different parts of the country? Is not the government even offering assistance to kids who are spending their summers hitch-hiking throughout the country rather than seeking gainful employment?

What more do today's youth want? They have been given everything they wanted since the day they were born. They have never wanted for anything. They have never experienced a war or a depression. More government catering to their whims can lead only to more of them becoming bums, living on welfare and taking advantage of the efforts of the already overtaxed working population.

It is almost impossible to avoid having considerable sympathy for these kinds of arguments, especially when they are presented, as they most frequently are, by people who have worked hard all their lives at jobs which may not have held a great deal of intrinsic interest for them in order that they could provide for their families and contribute to the well-being of the nation, as they believed and as they continue to believe is their duty. To them, the young people who are so obvious on our highways in the summer, who are so free in their criticisms of our society, are saying that the people who have taken pride in hard work are patsies to be exploited, and government programs to assist young people simply confirm such impressions.

Just what is happening, Mr. Speaker? Is the able-bodied young man or woman who is living on welfare payments doing so simply because he or she is lazy, or self-indulgent, or both? Are such young people living on welfare because jobs are simply not available, or is it that the jobs which are available are not to their taste? And do people have the right to refuse work because they do not find it personally appealing, when their refusal means that other people must support them? Or are such young people cynically exploiting their society and justifying that exploitation on the basis that society is hypocritical in the extreme; that while it pretends to honour effort and application, it simply honours wealth, however obtained; that there is no reason to give way to such hypocrisy and that to exploit a society based on exploitation is no sin?

I do not pretend to know the answers to those questions. Like most human phenomena, I do not suppose that it has any single explanation. But I do know, Mr. Speaker, that if there is no change made in the employment pattern that is available to our young people, if as a result increasing numbers take the course of exploiting the welfare system, and if government programs to assist youth continue to be presented in a manner guaranteed to make the public think of them as special grants to a special group rather than as part of an over-all scheme for social development, then very shortly, probably within the next two or three years, this country will be faced with a confrontation, certainly angry, possibly violent, between the working people who carry the tax burden in this country and those young people who, for whatever reason, will refuse to assist or have been denied the opportunity of assisting in bearing the cost of running this country.

We are in the midst of a social revolution of the magnitude of the Renaissance or the Reformation. The major difference between our social revolution and the other two which have now passed into history is the time span in which our revolution has taken place. The Renaissance and the Reformation took place over centuries. Our social revolution is being compressed into decades. Old value systems are being destroyed and rejected with such rapidity that new value systems which might have the potential for providing society with some stability have not yet had time to become fully articulated and understood, and thus remain incapable of acting as replacements.

Values shift so rapidly that I would venture to guess that the gap between the way a person of my generation thinks and the way a person of my grandfather's generation would have thought is a great deal narrower than the gap between what a person of 40 years of age thinks and a person of 18 years of age thinks. Indeed, it may be narrower than the gap between what a person of 25 years of age thinks and a person of 18 years thinks.

• (2120)

Probably just because the majority of young people have never known want, to which I referred earlier, and probably just because the majority of young people have had made available to them opportunities which would have been beyond the wildest dreams of their parents,

young people are challenging the values of the society which provided them with these benefits. I am not suggesting they are unjust or ungrateful, rather, I submit that is an entirely logical result. Because these young people are secure and have not known want, they are sufficiently without fear to be able to devote their energy to a critique of society's values, and when they find them wanting, to undertake many forms of rebellion against these values. They are free, as no previous generation has been, to say they just do not want to work, or the work must be worth while both in terms of its contribution to society and in terms of its contribution to the development of their potential as individuals before they will accept it.

What many of the young people are really engaged in is a redefinition of what constitutes a worth-while lifestyle and what constitutes a worth-while contribution to society; in fact, it is a redefinition of the meaning of work itself. It is becoming increasingly clear that to growing numbers of young people work is not to be the principal and dominant factor in their lives, as it is with most of the working population today. Increasingly, work is seen as providing them not with their principal role but with an avenue to a better life and the wherewithal to exploit what has heretofore been called leisure time.

Perhaps I could give an example of the sort of thing which indicates to me that this is the kind of thinking among the young people of this country. May I suggest to hon. members that they look at the decrease in the rate of anticipated enrolment in universities as compared to the completely unexpected rise in enrolment in junior colleges. This suggests that the young people are not going to be deliberately seeking to entrench themselves in occupations which must dominate, by definition, their entire lives but, rather, they are trying to seek meaningful employment which will give them enough free time to engage in other occupations and avenues of interest.

Growing numbers of young people tend to define quality of life not in economic terms or in terms of numbers of material possessions, as we have been accustomed to do, but rather in terms of humanity, in the liberation of the human spirit and in man's relation with nature. Quality of life thus becomes a sort of social ecology. Therefore, among many young people there is concern for our environment and that is why in any environmental group by far the majority will be persons under 30.

A lot of what I have just said may appear to be lacking in substance, vague, woolly and avoiding reality. Each of these charges might have some validity. But I submit that the very nature of the phenomena with which we are dealing, a social revolution, a destruction of old ways and thinking and a replacement of them by new ways, a change in society's system of values, simply does not permit one to speak with any great precision. As an aside, I might suggest that it is this very fact which helps to account for what is often perceived to be an exasperating inarticulateness on the part of young people attempting to explain their thinking, because for the most part the young are in the forefront of the social revolution we are experiencing.

What is becoming increasingly apparent to me is that the changes taking place in our value system, especially the abandonment of the protestant work ethic, will find their first concrete manifestations in changed attitudes toward employment and corresponding changes in our institutions of commerce, industry and government. There will be increasing pressure for shorter working days, combined with a shorter work week. Both have already been achieved by limited numbers of workers, especially in the craft unions. Experiments are being carried on in a number of industries, a good example of which is currently under way in the Imperial Oil refinery in my constituency where shift workers in the processing unit are working 12-hour shifts three or four days a week instead of an eight-hour shift five days a week, so as to give them larger blocks of time to devote to their families, hobbies and avocations as opposed to their work. It appears they are successful at the moment.

Such demands are being made and such experiments are being conducted not because people want to get away with doing less, but because they want to live more. A life arranged around the demands of the factory is no longer, if it ever was, considered to be very attractive. Public policy can either encourage or discourage this trend, or it can remain indifferent to it. I think it is this government's attitude to ignore the trend if, indeed, it is aware such a trend exists. My feeling is that the trend should be actively encouraged.

I would remind hon. members that federally and provincially there are laws on the statute books governing hours of work, conditions of employment and vacations. They are there because legislators eventually, after much effort was expended by trade unions and other organizations to convince them of the fact, became persuaded that such laws were necessary to the health of the working population. Surely it is as much our concern to ensure that the working population has the time available to it to live a meaningful life as it is our concern to legislate for the health of that same working population.

I see a need for revision of legislation governing hours of work and I suggest that the government, if it were doing its job, would be actively concerning itself with such considerations at this moment. In any event, it will soon be forced to do so because the young people now entering the labour force in such great numbers will demand that it do so, and that demand will be strong enough to necessite a response.

I see as a second major trend in new employment patterns arising out of the changing value system, increasing demands on the part of the organized labour force for participation by the worker in the making of decisions, long thought to be the prerogative of management, about such things as the introduction of new technology, about production, about the allocation of capital, about the nature and price of products and about the distribution of profits.

Once again there are immense implications for public policy involved, and once again the government should be actively preparing itself to meet these demands as they arise, as they surely will, if social and economic chaos is to be avoided. The degree of education, both formal and informal, which our young people have simply will not permit industry and commerce to continue to operate, if I can exaggerate slightly, on the basis of the master and slaves principle. The labour force will not permit that, and

the government should realize the fact. The government should be preparing itself to act because these demands will become clear and will have to have a response.

A third major trend I see developing in response to changing attitudes toward work are demands for altering the organization of our places of work so that they suit, not the demands of machines which they contain but, rather, the needs of the men who are operating those machines.

The Acting Speaker (Mr. Boulanger): Order, please. I understand that by a special arrangement I am to call hon. members to order after 15 minutes. I regret to inform the hon. member that his time has expired.

Mr. James Hugh Faulkner (Parliamentary Secretary to Secretary of State): Mr. Speaker, I suppose if this debate so far has served any useful purpose at all it has served at least the purpose of exploding the myth, I hope once and for all, that the Opportunities for Youth program is this government's total response to youth unemployment. Not even the hon. member who moved the motion subscribed to that notion, a notion that is as silly as it is false but one often perpetrated in other parts of the country as a means of criticizing the government.

The brunt of our argument today was handled by the Minister of Manpower and Immigration (Mr. Mackasey); the motion deals with youth unemployment and that is precisely as it should be. The Opportunities for Youth program is not central to this debate at all, but is only one part of the student summer employment program. To the extent it has been brought into the debate it should perhaps be referred to briefly. The government has met a relatively small section of student summer employment through Opportunities for Youth. It has never been presented to this House or the public as more than that; it is simply part of the student summer employment program.

I congratulate the hon. member for Selkirk (Mr. Rowland), who made a very thoughtful speech about the malaise among non-youth or non-students and the degree of attention which students are receiving from this government. He raises, I think quite rightly, the sort of uneasiness and frustration which exists in these people's minds. He uses terms like "special grants to special groups." Frankly, I do not know how any government can possibly avoid at least giving the impression that special grants and special groups exist so long as our educational system is so structured that on May 3 in respect of universities, and on June 30 in respect of high schools, a whole lot of our youth are out looking for jobs.

• (2130)

How can we avoid dealing with special groups with special grants when our educational system is so structured? The government would not be very responsible—and I am sure the member who introduced the motion would not subscribe to the idea—if it did not provide special grants to special groups, if it ignored the students and let the Manpower offices deal with both the army of students as well as those who represent the heads of families. It would be an abdication of responsibility to do this. No government can fail to recognize that so long as our educational system thrusts these students out of school all at the same time, it would be an abdication of its responsibility not to try to meet their legitimate needs for summer employment.

Another myth was not very effectively destroyed today. It was, in fact, further perpetuated by the hon. member who moved the motion and who said that jobs had gone, not to students who needed them but to students who did not need them. I strongly suggest to the hon. member that he get out and meet some of the students who have been working on Opportunities for Youth projects. He will find, after talking to them, that they do need the summer employment, that they are not all sons of wealthy parents and that they do have financial obligations. I say, with deference, that his statement this afternoon was made out of ignorance.

In point of fact, we have made a greater effort this summer than we did last summer to get to the disadvantaged families and to the rural areas. I think it will be demonstrated that the Opportunities for Youth program this summer will be much more successful than in the past—although it has been successful in the past—in getting to the sort of students who are financing themselves through university and whose families in many cases do not have the necessary resources to support them.

I think it is a disservice to suggest, as the hon. member did this afternoon and as his party has in the past, that somehow this is a middle-class operation pampering the children of the wealthy, and so on—implying that it is a waste of money. The facts do not bear this out. Even a cursory visit to any of these projects would establish that this is not a charge which could be made with any credibility against the Opportunities for Youth program.

The Opportunities for Youth program is simply a summer employment program. It is not the total answer. I suggest, however, that the summer student employment program demonstrated a considerable degree of courage and leadership on the part of the federal government. Although the federal government gave the leadership, this program elicited the support of not only the provincial government but of most municipalities and the private sector. I think it is fair to give the government credit for having led the way and for having launched such a program so that this particular problem of student summer employment could be met.

I find the position of the opposition to be somewhat contradictory. On the one hand they condemn or criticize the program, yet pretty well uniformly say that what they really want, despite their criticism, is more of the same. I might go back to the position formerly adopted by the spokesman on these matters of the Progressive Conservative party, the official opposition, the hon. member for Egmont (Mr. MacDonald), who issued a statement following the announcement of this year's summer employment program contratulating the Secretary of State (Mr. Pelletier) on the early announcement of summer programming for young Canadians and pointing out specifically:

> —the many criticisms and suggestions offered by various concerned groups as well as the opposition have obviously been heard and incorporated by the minister in OFY 72; this type of approach cannot but be in the interest of young Canadians everywhere.

That is a very encouraging statement. I do not know why they criticized the program in the beginning. It may

not have had very much political impact. The leader of the New Democratic Party (Mr. Lewis) said in a statement made on January 11, 1972:

Opportunities for Youth is a worthwhile approach and I cannot think of a single good reason why it should be limited to students—

Mr. Rowland: That is the problem.

Mr. Faulkner: The hon. member says that that is the problem. It is a little difficult to detect, from the range of criticism I have listened to in committee from various spokesmen of that party, that their hearts are really in the statement that it is a good program and should be available to everyone. However, I will take them at their word that they think it is a great program which should be made available to everyone.

Mr. Rowland: An "E" for effort.

Mr. Faulkner: I want to deal briefly with Opportunities for Youth as a program—because, as I said, it had been brought into the debate—some of the thinking behind it and, more particularly, some of the criticism as well as some of the doubts expressed by members of this House about the young people.

It was in the first instance an attempt to get away from simply make-work projects which could be made available in the public service. I think both the government and the young people were agreed that make-work projects were not particularly useful to either of them.

The government has shown wisdom in getting away from the more conventional, more comfortable and more easily administered summer-type program. We went into something far more experimental and innovative. It was simply a response by the government to the claims young people were making across this country that there were things to be done in communities which private enterprise could not do, or was not doing, that municipalities could not afford to do or were not doing, and which voluntary agencies did not have the funds to do.

The young people suggested that if these projects could be undertaken, not only would they provide meaningful work for students but they would benefit the community in which the projects took place. That was the principle behind the Opportunities for Youth program. It is open to certain criticism because not everyone agrees what constitutes useful projects in any given community. No one is more aware of that than I am, because I have had wide-ranging discussions on the philosophical meaning of usefulness with members of all political parties. I realize that between some members and myself there is a rather large gap in our understanding of what that term means.

The point is, however, that despite that apparent risk and despite the differences of opinion which are bound to arise, the government conceded as an act of faith and as a commitment to the young people that their contention was correct and that given the resources they needed to carry out these projects, the community would benefit, they would benefit generally and they would contribute to the growth and development of the country. That is what Opportunities for Youth fundamentally is all about. It is certainly a student summer employment program, but it is not simply a make-work program.

• (2140)

It is a program designed to provide resources to young people to carry out the sort of things they believe are important within their community. It is very easy to knock it, to enter into a discussion about the Opportunities for Youth program in general on the basis of one particular failure. But that type of argument is counter-productive because it tends to ignore the tremendous number of very good projects that are going on across this country.

Let me turn to another charge often made, the charge of alienation which is often incorporated in this type of debate. It is a glib and easy charge to make. The whole matter of alienation has never been more seriously challenged than it has been by two government programs, Opportunities for Youth and the Local Initiatives Program. If there are two government programs which we have introduced that have been understood, supported and welcomed by young people across this country, it is these two.

I suggest that the charge against this government that somehow we are contributing to the alienation of our young people is a phony charge that cannot be supported. If anything, this government has done much more than any other government in the western world to recognize the priorities that exist in the minds of young people. The concerns they have about their country are different, not simply because they are young but because their whole upbringing has been different, a point which has been made by the hon. member for Selkirk.

The government has recognized this fact and it has therefore provided resources for young people, to prevent not only the alienation which would naturally occur if we did nothing but to allow for the participation of young people in the growth and development of their community and their country. The charge that alienation is rampant among the young people of this country cannot be supported and substantiated by the facts.

I say, further, that this government has gone beyond simply meeting this particular problem through the two programs. Speaking about the priorities that have clearly come through these government programs, I could cite what has been done on the pollution front, the leadership exercised by this country in Stockholm which has struck a responsive chord in the minds of thousands of young Canadians because it is a priority they share with this government.

I suggest that the whole business of redefining the concept of jobs—a matter which the hon. member for Selkirk raised—is implicit in the OFY program and LIP, and something which the Minister of Manpower and Immigration has recognized on several occasions. It is easy to make these charges but I suggest that the record of this government, not only in these two particular programs but in others, demonstrates that the government has provided an opportunity which has been provided by no other government in this country, and no other government that I can think of outside this country, to involve young people in a participatory role within society, not as young people and as a select group, not as pampered children of the wealthy but on the only rational basis, as

Canadians contributing to the development of this country.

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my remarks tonight will be brief. Hon. members on this side of the House who spoke in the debate earlier placed on record the sorry story of the number of unemployed youths in this country. Having just listened to the hon. member for Peterborough (Mr. Faulkner), I can well imagine how encouraged the vast majority of the unemployed in Canada, indeed the 48.7 per cent of our people who are under 25 years of age, must be and will be tomorrow morning on reading the hon. member's statements.

I can sympathize with the hon. member in his efforts to defend the Opportunities for Youth program. I am sure that we all realize that in some areas the program has had some effect. But for the vast majority of our unemployed young people the program is nothing more than a farce and is of very little consequence to the large number of our youth who this summer are facing the prospect of unemployment.

The position taken by our party has been outlined to the House by my colleague, the hon. member for Gander-Twillingate (Mr. Lundrigan). He has outlined the Stanfield program which we intend to put into effect when we form the next government. We feel that this program will attack the major social ills in this country, particularly with respect to our young people who are unemployed.

I want to impress on the House how crucial this problem is in a province like Newfoundland. Newfoundland, being thinly populated and underdeveloped, is still struggling to find its way economically into the Canadian mainstream. Our young people in Newfoundland are even more frustrated than young Canadians on the mainland because the frustrations faced by young people in the province of Ontario, for example, are even greater in a province like Newfoundland because of its geographic position and the other major problems affecting industry in our province.

It is much more difficult for young Newfoundlanders to go to another part of Canada to look for work. It is not simply a matter of getting out on the Trans-Canada Highway and thumbing your way, because you cannot thumb your way across the 100 miles of water which separate our province from the mainland of Canada. In a province like Newfoundland there are no major industrial giants such as General Motors, Ford, Stelco, Inco or federal government departments such as we have in Ottawa which can absorb a large number of young people for summer work.

Like other hon. members, I am sure, my office files are bulging with letters from young people, letters that come in almost daily from young people seeking assistance in obtaining jobs for the summer. Only this morning one young man from my constituency was in my office looking for a job because he, like many others, will have to work for a year to get enough money to continue his courses at university.

In Newfoundland we have just had graduation day at our very Fisheries College. Hundreds of young men are now ready to introduce new skills and efficiency into our primary industry the fishery. There are thousands of young men who want to join their fathers in their fishing boats, but many of our finest fishermen are not able to ply their trade because of the many obstacles placed in their way by the federal government, a federal government which allows foreigners to come to our fishing banks and take all the fish. This government stubbornly refuses to make assistance available to the fisheries under DREE.

The problem of unemployed youth is closely tied to the over-all problem of unemployment. I am sure the same is the case in other provisions, but it is even more so in ours because in Newfoundland we cannot afford to lose our young people. We cannot afford to have university students such as those at Memorial University, with a rapidly increasing enrolment soon to approach 10,000 students who are trained to use their skills, forced to leave the province to find employment. We cannot afford to have our Fisheries College graduate skilled craftsmen, only to see them leave Newfoundland to seek employment on the Canadian mainland.

We Newfoundlanders have just selected a new business-like government committed to giving the fishing industry a new lease on life. It has also established definite priorities for development. What we need now is an understanding and sympathetic government in Ottawa to work with our provincial government to help us achieve these aims.

• (2150)

More than half of the work force in Newfoundland falls into the category of youth under 25 years of age. They must not be allowed to fall victims of the welfare trap. They must not be made the pawns of a cynical, arrogant federal government which has deliberately created unemployment.

A solution for young Newfoundlanders and for young Canadians in general is an over-all policy developed by governments which will set out the long-term utilization of the skills of the young. Our educational system must be geared to turn out trained young men and women whose skills will be needed. Perhaps we should de-emphasize the attaining of a university degree, especially if the degree is only going to add to the longest list of unemployment university graduates in Canada's history. Our universities and trade schools should be better geared to the manpower market. This trend is already apparent in the United States where university enrolments are down and more and more young people are turning to trades colleges.

There are also some short-term solutions. I endorse the proposal put forth by the Canadian Council on Social Development last week, namely, the establishment of a network of youth manpower centres, setting up a youth employment directorate, improving liaison between manpower centres and welfare agencies, making special travel and settlement allowances to young people and improving manpower training by such steps as removing the 52-week limitation on upgrading courses. These, of course, are just suggestions for improving the facilities available to the young people to assist them in finding jobs. I think it is apparent that the real solution rests with a return to proper fiscal and economic policies by the federal government. When private industry is encouraged to expand and develop, the major problems of unemployment will be substantially reduced.

However, Sir, for many years we will still be facing the annual problem of high unemployment among youth, especially during the summer months. Canada's young people are clinging desperately to the hope that the federal government will end its ad hoc efforts to find them jobs—too many of them are not meaningful—and will develop a long-term strategy which will allow them to lend their considerable skills to the development of a thriving and better nation.

It is obvious that the programs introduced by the government have not had the desired affect, especially with respect to our young people. As I said at the outset, there are many hundreds of young people in my riding, indeed in my province and all across Canada, who are facing a very serious problem. Many of them depend upon summer employment in order to continue their education. But too many of them will be faced with the stark reality that the government is unable to provide them with jobs and thereby the opportunity to earn a few dollars during the summer so they may return to university.

In my riding and province the situation is even more critical in that we do not have the industrial giants from whom we can get summer employment for our youth. Many of our young people have been encouraged to go to the trade schools, the fisheries college, and to Memorial University to get an education, only to find later that they are unable to get jobs in their own province. If they hope to get a few months' work during the summer, they must travel to other parts of Canada, thereby denying Newfoundland the benefits of the education they have received. It is a very sad story.

The program which the hon. member for Peterborough (Mr. Faulkner) tried to defend is responsible for employing less than one-tenth of the young people in our country. In my riding large groups of young people were encouraged to apply for assistance through the Opportunities for Youth program only to be refused without an explanation. Some of their proposed projects were extremely worth while, good for the students who applied and also good for the communities in which they live. In all too many cases the programs that were approved were slipshod and badly thought out. They were approved at the expense of other programs that could have had a worth-while effect on the province and local communities.

It is quite obvious, Mr. Speaker, that something has to be done. I think that the program to which the hon. member referred a moment ago was conceived in haste and obviously will not have the desired effect for the young people concerned. I think the program was well summed up by a young man who was a project officer for OFY, when he said that Opportunities for Youth is a human lottery and the most politically partisan job program under federal sponsorship.

[*Translation*]

The Acting Speaking (Mr. Boulanger): Order. It being ten o'clock, it is my duty to inform the House that pursuant to Standing Order 58(11) the proceedings on the motion have expired.

[*English*]

PROCEEDINGS ON ADJOURNMENT MOTION

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

VETERANS AFFAIRS—CONSIDERATION OF INCREASE IN BASIC RATE OF WAR DISABILITY PENSION AND VETERANS ALLOWANCE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question tonight relates to the need for consideration to be given to an increase in the basic rate of the war disability pension and also to an increase in the basic rate of the war veterans allowance. I must say at the outset that in recent weeks we have been getting the right answers to our questions concerning this matter. The Parliamentary Secretary to the Minister of Veterans Affairs (Mr. Francis) may therefore wonder why I raise the question again if I admit that we have been getting proper answers.

The fact is that even though we have been given assurances, we have to be on guard to make sure that those assurances are not lost in the scramble to get the present session recessed. And I am also going to be bold enough tonight to make a suggestion of the kind that might not receive the applause of every member of the House if this were two o'clock in the afternoon and all the members were here. But at this time of night, when only the hard workers are still present, I am sure my suggestion will be approved unanimously.

Just to recite briefly what has happened, and without covering all the questions and answers, I would point out that on Friday, March 17, 1972, as reported at page 916 of *Hansard*, I asked the Minister of Veterans Affairs (Mr. Laing) if consideration was being given to increasing the basic rate of the war disability pension. The minister's answer was an unequivocal yes. I then asked if consideration was being given to increasing the basic rate of war veterans allowance. The minister made an answer which was a little unequivocal but I dare to believe that he meant yes.

• (2200)

On Friday, May 12 of this year, as recorded at page 2233 of *Hansard*, when the minister was speaking to the bill to attach an escalator clause to pensions and allowances that come under the responsibility of the Department of Veterans Affairs he said very clearly, and we appreciated it, that the escalator clause being put on the basic rate of the war disability pension did not mean that the question of the basic rate had been dealt with; indeed, he gave the firm commitment that it would be dealt with at a later time.

Later in the session the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) and the hon. member for Norfolk-Haldimand (Mr. Knowles)—a Tory with a good name—started asking questions and eventually got from the Minister of Veterans Affairs the assurance that it would meet with his approval if this matter were referred to the Standing Committee on Veterans Affairs. I followed through by asking the chairman of that commit-

tee if he would do what he could to get the necessary reference so that the committee could study the matter and he, too, said yes.

So, Mr. Speaker, we have had the right answers all down the line; the only trouble is that time is going by. There is now talk of trying to recess this session on June 30 to an unknown date, with some uncertainty as to whether we will come back on that date, and this raises the question of whether we should not do our best to get action on this matter soon.

A letter has just come to all of us from Mr. J. C. Lundberg, chairman of the National Council of Veterans Associations in Canada, enclosing a copy of the submission of that association to the minister on the basic rate of the disability pension. The letter expressed the hope that this matter might be referred to the Standing Committee on Veterans Affairs for immediate consideration, and it also expressed the hope that this would result in a recommendation being made to the House of Commons during the present session.

If there is a recess on June 30 I know that it is going to be difficult to get this matter dealt with by then, but an attempt could and ought to be made. The suggestion that I make tonight, Mr. Speaker, is that if necessary serious consideration be given to holding meetings of the Standing Committee on Veterans Affairs during the recess. I am not suggesting that those meetings have to be held in the heat of summer or at some awkward time, but I think the members of that committee would be willing to meet at an appropriate time to deal with this matter so that a recommendation could be made while this session is still in existence and, hopefully, while this Parliament is still alive. I am sure the Parliamentary Secretary to the Minister of Veterans Affairs agrees that it would be most unfortunate if the good will that has been built up and the expertise that the Standing Committee on Veterans Affairs has attained were lost and we had to start all over again.

In this spirit of amity that exists between us, I hope the parliamentary secretary will make it clear tonight that the assurances of the minister are being kept alive and that something will be done on this as soon as possible, and that if there is no way to get a study of this matter by the Standing Committee on Veterans Affairs before June 30, arrangements will be made for that committee to meet during the recess. Surely we can do no less.

Mr. Lloyd Francis (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, I am sure the minister appreciates the very complimentary remarks which the hon. member for Winnipeg North Centre (Mr. Knowles) made about him. I know that all members of the House share the general views that he expressed in regard to the legislation recently put before this place and now being considered concerning improvements in veterans pensions. As the hon. member pointed out, the statement of the minister was abundantly clear. The escalation of pensions did not deal with the problem of the basic rate of pension. The minister indicated that the government was reviewing this matter.

At the present time, Mr. Speaker, the Standing Committee on Veterans Affairs has before it a reference by this House concerning prisoners of war, and it has had testimony presented to it by associations representing former prisoners of war. Until the committee has discharged the terms of the present reference I do not believe it is the intention of the government to place before it any other reference.

However, the minister has indicated his basic sympathy with the objectives expressed by the hon. member. He has indicated that he has an open mind concerning reference of the basic rate of pension. At this stage I think that is all I can say on the matter. I do know that the government is considering it.

[Mr. Knowles (Winnipeg North Centre).]

EXTERNAL AFFAIRS—DENMARK—DENIAL THAT DANISH FISHING CAUSE OF DEPLETION OF ATLANTIC SALMON STOCKS—GOVERNMENT POSITION

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, on May 4 I asked the Secretary of State for External Affairs (Mr. Sharp) if he shared the view of the Minister of Fisheries (Mr. Davis) regarding that gentleman's suggested boycott of Danish goods. The minister replied that his colleague had been expressing a personal view. Although subsequent events and further failures of Canadian diplomacy in fisheries matters may have obscured this episode, it still merits attention.

Apart from the serious issue of the depredation upon our fisheries, there are two interesting aspects: one concerns the fundamental principle of cabinet solidarity and the other is the question of the separation of the public and private personality of ministers of the Crown. On May 2 the Minister of Fisheries was widely quoted as suggesting that a boycott on Danish goods by Canadian consumers was probably a good idea. He said:

> Such action could be very effective.

Interestingly enough, the minister noted that there could be no official boycott of Danish goods because such action would be in violation of GATT. He went on to recommend that the people of Canada should do what the government would not do. However, the brave boycott of May 3 became something less than a major theme as days went by. It became a personal opinion.

Many years ago the premier of Ontario, Sir James Whitney, said that any public man who has no public view on public issues is a public fool. Being less abrasive than Sir James, I would avoid such polemics, but after a good many years in the study and practice of politics I am puzzled when a public official, as a minister surely is, speaks of a public matter and still remains a private person.

A minister has, of course, a private life and a private capacity. He does not speak ex cathedra at the breakfast table or at private gatherings. However, it is a bit subtle to suggest that some press conference dicta are private utterances and others public proclamations. One is inclined to believe that the minister's call for a boycott did not win the endorsation of his colleagues and his chieftain, the Prime Minister. Indeed, who knows, he may have felt the condemnation of someone from on high. If that is the case, if he was overruled as his colleague, the Minister of National Health and Welfare (Mr. Munro), was some

months ago, why not say so? It is disquieting to have the device of private opinion used in such cases.

It is likely that the minister would prefer a stronger stand than that taken by the government as a whole. Truly, in our dealings with Denmark we have been mealy-mouthed and passive. Not only in reference to Denmark but to many other countries trespassing on our rights, the same pusilanimous attitude is being revealed. The fishing industry in our country is in grave danger; our fishermen face grave hazards. As my colleague for South Shore (Mr. Crouse) put it some weeks ago, Canadian fishermen are the sacrificial lambs in governmental negotiations. He and my colleagues from Newfoundland and the maritime provinces have pressed vigorously for a more alert, aggressive and articulate attitude on the part of Canada on behalf of its long suffering fishermen.

Polite notes have not been productive. Perhaps the time has come for some straightforward action and assertion of our rights. It is passing strange that we are unable or unwilling to slow the verve and stamina of such countries as Iceland and Peru. Surely we can produce something more than failed and frustrated efforts at international gatherings, and publicly-proclaimed private boycotts which are phased out as mere personal opinions.

Mr. Paul St. Pierre (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the hon. member for Hillsborough (Mr. Macquarrie) is in full flight tonight with phrases such as "mealymouthed" and "passive". I cannot agree with him that that has been the government's record. We are all aware that the recent meeting of the International Commission for the Northwest Atlantic Fisheries in Washington did not accept the Canadian view that there must be an immediate ban on high seas fishing for Atlantic salmon. The strenuous efforts we have made over the past months and years to achieve this goal will therefore continue.

The hon. member for Hillsborough inquired in recent weeks whether the views of the Canadian government had been presented to the government of Denmark. I can repeat the assurance which the Secretary of State for External Affairs (Mr. Sharp) gave him, that we have repeatedly urged the Danish government to co-operate with us. Over the past year the government of Denmark has been made fully aware of our position on this urgent matter, not only through bilateral contacts such as the visit of the Minister of the Environment (Mr. Davis) to Copenhagen, but through scientific meetings at which the matter has been fully discussed.

• (2210)

Canadian scientists attending these sessions have taken the opportunity to present as forcefully as possible to the scientific experts of other ICNAF countries, including Denmark, our information on the decline of Atlantic salmon stocks. Indeed, the recent ICNAF meeting, while it did not accept our call for an immediate ban on high seas fishing, did accept that Canadian rivers especially those flowing into the Gulf of St. Lawrence, contribute substantially to the Greenland salmon fishery and that losses suffered by that fishery may be greatest for rivers flowing into the Gulf. It was also recognized that data for the Miramichi River shows a steady decline in the stock of large salmon in this river.

In addition to the scientific information which Canada has presented in recent months, the government of Denmark has also been informed of the drastic action taken by the Canadian government in closing commercial salmon operations on the east coast, as well as about the motion on Atlantic salmon adopted by this House on April 25. In light of these actions the Danes were urged to re-examine their position prior to the May ICNAF meeting.

The suggestion of a consumer boycott of Danish products has been dealt with previously in this House. As the Prime Minister pointed out on May 10, such a boycott is not the position of the Canadian government.

NATIONAL DEFENCE—REQUEST FOR ASSURANCE THAT FOURTH TRAINING SQUADRON BASED AT ESQUIMALT WILL BE OPERATIONAL THIS SUMMER

Mr. Doug Rowland (Selkirk): Mr. Speaker, *Hansard* reports that on June 16 I asked the following question of the Minister of National Defence (Mr. Benson):

> During the course of the hearings of the Standing Committee on External Affairs and National Defence with respect to the defence white paper, it was suggested to the committee that the fourth training squadron based at Esquimalt might not be operational this summer because of the difficulties of finding the four to eight necessary engine room personnel. Since the squadron is capable of training some 500 reservists from all parts of the country during the summer, can the minister assure the House that it will be operational this summer?

The minister's reply was as follows:

> I will have to check on its current status and report back to the House.

That answer annoyed me, Mr. Speaker, because we only have about 40 vessels in commission in the fleet and the fourth training squadron represents about one-tenth of the total number of commissioned vessels. I should have thought that in that kind of situation—a fleet of that small size—the minister might have been expected to be aware of what was happening to an entire squadron of ships, especially when one considers that what this squadron does affects directly or indirectly the capabilities of some 2,800 naval reservists in this country.

Beyond that, in the long run it affects the capability of the fleet to respond to a challenge, because the fleet relies upon the reserves to supplement its numbers in an emergency. Since the number of naval personnel now available for manning ships is so low, none of the ships at sea have a full-time war complement. I think it is extremely important to know what is happening to the fourth training squadron, and I should expect that with only two weeks remaining before the peak of the training season the minister might know whether it is to be operational.

I sincerely hope to get an answer this evening. That is the reason I posted the question for discussion. I think the inability of the training squadron, possibly, to go to sea because of difficulties in finding two engine-room personnel for each of four ships and, in addition, one administrative person for each ship—a total of 12 people—is indicative of what is happening to the armed forces as a whole under the direction of the government, and of the govern-

ment's total lack of appreciation of the needs of the military. The military in this country is currently suffering a desperate lack of resources.

In that kind of situation only a limited number of alternative actions are available to the government. It can ignore the situation, which is what it is doing. It can increase the resources available to the forces through removing the freeze on the budget with respect to armed forces expenditures. It can reduce the tasks assigned to the armed forces. It can undertake a combination of a reduction of tasks and an increase in the allocation of resources. Or it can look at a means of better applying resources now available to the military—for example, more effective use of reserve forces in this country.

I suggest that it is the latter alternative, though not exclusively, that the government should look at first, namely, the effective employment of the reserves. The new assignment of priorities and tasks that the government has given the armed forces in its defence white paper issued in 1970, which listed the defence of Canada and North America as of highest priority, coupled with the government's appreciation that there is a reduction of the possibility of an all-out nuclear war, thus reducing the necessity for a large number of highly trained forces in being, means that use of reserves for more tasks is not only possible in terms of the level of attainment necessary to complete the tasks, but is also desirable in terms of potential savings in the total allocation of moneys for defence, which savings could then be applied to the purchase of new equipment so desperately needed by at least two elements of the armed forces, the land element and the air element.

The government has yet to act on the basis of this kind of analysis. Reserve training, despite recent modifications, suffers desperately from lack of regular force support. When I talk of regular force support I mean regular force personnel who are allocated to reserve units for the purpose of training those units during the course of the winter months. These resources are not being made available to the reserves because the government has not yet seen fit to inform the military that its priorities have altered sufficiently to free men for training reserves.

The most astounding evidence I have yet encountered of government neglect of reserve forces is the possibility that the fourth training squadron might not be available to train reserves this summer. As I have indicated in the course of several questions over a period of two months, that squadron can provide training to 500 reserve force personnel in the form of ship navigation for young officers, seamanship, communications and other tasks allotted to enlisted men. All it takes to make the squadron operational is 12 personnel. I have served in one of the gate vessels, and this squadron is composed of four gate vessels. It takes no more than three regular force personnel to put one of these ships to sea with a reserve crew. In other words, it takes 12 men to make a squadron operational—and the government does not know whether it can find those 12 men. That astounds me.

This evening I am asking for the assurance that the fourth training squadron will be operational this summer. If the parliamentary secretary feels free to comment, I should also like the assurance that the government will give a great deal more attention to training our reserve forces in the future.

Mr. Paul St. Pierre (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the concern and interest of the hon. member for Selkirk (Mr. Rowland) in this matter of naval training is well appreciated. I think he will recall that at the time of the briefing of the committee on the summer training program it was indicated that it was becoming increasingly difficult to find the required number of diesel engineering staff with the required engineering certificate. However, this was an indication of the nature of the problems facing the maritime commander in meeting his respective roles; it was not intended, I am informed, to be interpreted as meaning that they could not be provided or that they would not be provided.

• (2220)

I have been advised that the fourth training squadron based at CFB Esquimalt will be operational this summer and that the required technical and specialist personnel will be available for this most important training program for the youth of this country.

Motion agreed to and the House adjourned at 10.23 p.m.

HOUSE OF COMMONS

Tuesday, June 20, 1972

The House met at 2 p.m.

PRIVILEGE

MR. HOWARD (SKEENA)—USE OF UNITED STATES POSTAGE STAMP BY "TIME INTERNATIONAL" ON POSTCARD MAILED IN CANADA

Mr. Frank Howard (Skeena): Mr. Speaker, I desire to rise on a question of privilege of which I have given Your Honour notice. My question of privilege relates to the use of United States of America postage stamps to mail certain material within Canada.

As a prelude I think I should indicate that the Post Office Act passed by this Parliament defines what is a postage stamp. Without quoting the section, it is whatever stamp or impression is authorized by the Postmaster General. Further, the act also provides that the Postmaster General may prescribe the conditions under which mailable matter will be mailed within Canada.

I have in my hand a postcard and it is necessary for me to read the very first sentence, though no other part. It reads:

May we ask your co-operation in a special survey of *Time* subscribers?

It is signed by a Ralph P. Davidson, associate publisher of *Time International* of Canada. It is postmarked Montreal at 1 p.m. on the 18th day of June and has a Canadian post office cancellation mark on it. The stamp is a United States of America six-cent stamp.

I am sure the Postmaster General did not authorize, as is his right under the Post Office Act, use of that particular stamp as an official stamp to be used within Canada, but for *Time International* to use that stamp to mail material—

Mr. Speaker: Order, please. The hon. member should indicate as quickly as he can how he thinks parliamentary privilege is affected. From what the hon. member has said up to now I think there is not even a remote connection between the grievance that he has and parliamentary privilege.

Mr. Howard (Skeena): Mr. Speaker, in order to try to argue that there is a question of privilege I thought it worth while to put forward what this Parliament has said should be the law. I think that the privileges of Parliament have been offended. The Post Office Act was passed by this Parliament. The Postmaster General is charged with authority in postal matters and, if nothing else, he has been embarrassed by the use by *Time International* of a United States stamp to mail material within Canada, quite apart from it being offensive to Canadians as a whole.

If Your Honour finds that there is a prima facie question of privilege and that the matter should be inquired into, I should like to move, seconded by the hon. member for Timiskaming (Mr. Peters):

That the question of the use of United States of America postage stamps by *Time International* of Canada to post mail within Canada be referred to the Standing Committee on Privileges and Elections.

Mr. Speaker: I have to repeat what I said a moment ago, that there is not even a remote connection between the circumstances described by the hon. member and parliamentary privilege. I will not abuse the time or the patience of hon. members by repeating what parliamentary privilege is for the guidance of hon. members. I am sure the hon. member for Skeena, who has been here for many years, knows this at least as well and probably better than I. I am sure he will not require a long speech from the Chair to be convinced there is not a prima facie case of privilege. The hon. member may have a complaint or a grievance, but I fail to see how it is related in any way to his privileges as a member of this House.

• (1410)

ROUTINE PROCEEDINGS

[*Translation*]

LABOUR, MANPOWER AND IMMIGRATION

Fifth report of Standing Committee on Labour, Manpower and Immigration—(Mr. Portelance).

[*Editor's Note: For text of above report, see today's Votes and Proceedings.*]

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[*English*]

PRICES AND INCOMES COMMISSION

TABLING OF SUMMARY REPORT ON INFLATION, UNEMPLOYMENT AND ECONOMIC POLICY

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I have the honour to present in both official languages the summary report on inflation, unemployment and economic policy of the Prices and Incomes Commission received today.

External Affairs

PARLIAMENT HILL

TABLING OF ANNOUNCEMENT REGARDING PROMENADE TO BE BUILT AROUND BASE

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, pursuant to Standing Order 41(2) I have the honour to table in both languages an announcement regarding a promenade to be built around the base of Parliament Hill.

* * *

EXTERNAL AFFAIRS

IMPENDING NUCLEAR TEST BY FRANCE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, in view of the impending French nuclear test in the Pacific I seek, under Standing Order 43, unanimous consent of the House to move a resolution in similar terms to the one adopted by this chamber in particular reference to the Amchitka test by the United States.

Therefore, I move, seconded by the hon. member for St. John's East (Mr. McGrath) that:

Whereas the continued testing of nuclear warheads by the nuclear powers adds to the dangers of the nuclear arms race and may seriously pollute the human environment, this Canadian House of Commons again calls on all nuclear powers to cease all testing of nuclear devices and particularly calls on the government of France to cancel the latest of its tests in the Pacific Ocean.

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for Hillsborough. Under the terms of Standing Order 43 this motion requires unanimous consent. Is the hon. minister rising on a point of order?

Mr. MacEachen: Yes, Mr. Speaker. I would be quite happy to consent to the putting of the motion if, in order to protect the opposition day, we can agree not to debate it at this time.

Mr. Knowles (Winnipeg North Centre): Agreed.

Mr. Speaker: I am not sure what the position of the House is at the moment. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: There appears to be unanimity, and the motion will therefore be put.

Mr. Baldwin: Mr. Speaker, may I say, with respect, that I understood there was a condition to the motion being put.

Mr. MacEachen: Yes, without debate.

Mr. Baldwin: Without debate, that is the condition attached.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

[Mr. Basford.]

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

REGIONAL DEVELOPMENT INCENTIVES ACT

AMENDMENT RESPECTING COMMITMENT OF MONEY IN ANY FISCAL YEAR

On the order: Introduction of Bills.

June 16, 1972—Mr. Broadbent—Bill intituled: "An Act to amend the Regional Development Incentives Act".

Mr. Broadbent: Stand.

Mr. Speaker: While the hon. member for Oshawa-Whitby requests that this notice of introduction of a bill to amend the Regional Development Incentives Act stand, I think I should at this time enter a caution by indicating to the hon. member that in the view of the Chair there may be some procedural difficulty in respect of this motion in that there might be financial implications. It seems to the Chair that the hon. member is attempting to redirect funds which have been allocated by Parliament on the basis of a royal recommendation. As the hon. member well knows, this is not in order. In any event, we will allow the matter to stand for the time being and whenever it is called the hon. member may wish to argue the procedural point at that time.

AMENDMENT TO ENSURE PROPER EVALUATION OF EFFECTIVENESS OF DISBURSEMENTS

Mr. Bill Knight (Assiniboia) moved for leave to introduce Bill C-216, to amend the Regional Development Incentives Act.

Some hon. Members: Explain.

Mr. Knight: The purpose of the bill is to ensure that the effectiveness of disbursements from the public purse is properly evaluated and that improvements in the grant system can be made promptly on the basis of such an evaluation.

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

AMENDMENT TO ENSURE THAT APPLICANTS FOR GRANTS USE ACCURATE INFORMATION AND DATA

Mr. Bill Knight (Assiniboia) moved for leave to introduce Bill C-217, to amend the Regional Development Incentives Act.

Some hon. Members: Explain.

Mr. Knight: The purpose of the bill is to ensure that applicants for federal grants under the Regional Development Incentives Act use accurate information and data which are subject to public scrutiny, so as to have public

scrutiny of questionable grants such as $3 million to Noranda Mines Limited, $2 million—

Mr. Speaker: Order, please. The hon. member knows that Standing Order does not allow an explanation of the type he is attempting to give at this time.

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

* * *

INDUSTRIAL RESEARCH AND DEVELOPMENT INCENTIVES ACT

AMENDMENT TO PROVIDE FOR MONTHLY REPORTS INDICATING AMOUNTS OF GRANTS AND NAMES OF COMPANIES

Mr. Bill Knight (Assiniboia) moved for leave to introduce Bill C-218, to amend the Industrial Research and Development Incentives Act.

Some hon. Members: Explain.

Mr. Knight: The purpose of this bill is to require the Minister of Industry, Trade and Commerce to make monthly reports on the operation of the Industrial Research and Development Incentives Act, indicating the names of the companies and the amounts of the grants in the same way the Minister of Regional Economic Expansion is supposed to make reports under section 16 of the Regional Development Incentives Act, thus ensuring—

Mr. Speaker: Order, please. The hon. member knows he can give only a brief explanation by virtue of Standing Order 68(2).

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

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

INFLATION—POLICY RESPECTING POSSIBLE USE OF WAGE AND PRICE CONTROLS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister. Was the Minister of State from Calgary South expressing government policy when he said outside the House on June 11 that, while the government had contingency plans for dealing with the expected increase in inflationary pressures, price and wage controls were not part of those plans because he did not think they would work? Was the minister expressing government policy when he indicated that price and wage controls were not part of the contingency planning of the government with regard to the control of inflation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would have to check exactly what was said by the minister, but to the extent he has been quoted correctly by

the Leader of the Opposition it is not government policy. There are contingency plans and these are part of them.

• (1420)

INFLATION—TERMINATION OF PRICES AND INCOMES COMMISSION—CONTINGENCY PLANNING BY CONTINUING GROUP

Mr. Stanfield: Has the government authorized the continuance of a contingency planning group, perhaps a remnant of the Prices and Incomes Commission or, in any event, a continuing planning group, to carry on research on the role of a prices and incomes policy with regard to inflation, and is the planning of such a prices and incomes control policy within the terms of reference of that group?

Mr. Trudeau: With regard to the first part of the question, Mr. Speaker, yes. I recall answering a similar question in the House several weeks ago. I said then that after the Prices and Incomes Commission had reached the end of its mandate there would be kept in the government a small group of people who would be dealing with the problem on a continuing basis. One of the aspects, I am sure, of their work will be to keep various contingency plans updated in the event that the government might want to use them.

Mr. Stanfield: Is a contingency plan for wage and price controls specifically within the terms of reference of that group? Can the Prime Minister also tell the House to what minister that group will be reporting and to what minister the government will be looking for recommendations with regard to anti-inflationary measures and the development of contingency plans?

Mr. Trudeau: With regard to the first part of the question, Mr. Speaker, the terms of reference are generally as I stated them in my first answer. With regard to the second part of the question, the Prices and Incomes Commission will continue reporting to the same minister, at present the Minister of State for Urban Affairs, until such time as it finishes its work. The small working group which will be kept on will be an assignment of some minister whom I have not yet determined.

* * *

TRADE

REASON FOR POSTPONEMENT OF HEARING BY UNITED STATES TREASURY BOARD ON MICHELIN CASE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. Can the minister inform the House as to the reasons for the postponement of the hearing on the Michelin case by the United States treasury board and, more particularly, whether the postponement was at the request of the government of Canada? If so, does the government intend to make public its own brief on the subject?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, the secretary of the treasury board in the United States is free to allow any period of

time for the receiving of representations in cases of countervailing action. He had given a one month period. At our request, and in view of the complexity of the matter that period has been extended for another month until July 12.

MICHELIN TIRE COMPANY—REQUEST FOR INFORMATION ON AMOUNT OF GOVERNMENT FINANCIAL AID, PROJECTED CAPITAL COST AND EQUITY PROVIDED BY COMPANY

Mr. Broadbent: Mr. Speaker, I gave the minister notice this morning of my supplementary question. I hope he has the information. Will the minister inform the House (a) as to the amount of financial assistance the Michelin Company of Nova Scotia has received from the federal and provincial governments in the form of grants and loans, whether already paid or agreed to, (b) the projected capital cost of these facilities and (c) the amount of equity the Michelin Company has actually provided?

Mr. Speaker: Order, please. Perhaps I will allow the minister to reply to the first part of the question. The hon. member is asking for statistical information. This is not normally the type of question that is allowable at this time. The hon. member indicated that he gave the minister notice of his intention to ask the question. I am not sure that brings him within the rules. In any event, the minister will be allowed to reply if he has the information.

Mr. Pepin: Mr. Speaker, I answered the previous question because it fell under my jurisdiction. This other aspect of the Michelin case, if you want to call it that, falls under the jurisdiction of the Minister of Finance. He is aware of the hon. member's request which has been made previously. I presume that in due course he will deny or confirm the information available from the press on this subject.

Mr. Broadbent: Mr. Speaker, I asked the minister because I understand his department is responsible, directly or indirectly, for carrying this case before the United States government, and so he may have the answer to my final question. Can the minister inform the House whether or not it is a fact that, of the approximately $90 million that has been so far allocated for this project of the Michelin Company, less than 10 per cent of the capital was put up by the company itself?

Mr. Pepin: Mr. Speaker, it will be the responsibility of the Minister of Finance to answer that.

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, while the minister is securing that information for the hon. member for Oshawa-Whitby would he be good enough to ascertain who is more opposed to industrial progress in Nova Scotia, the straight NDP, the Lewisites, or the Waffle?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

[Mr. Pepin.]

AWARENESS BY UNITED STATES OF CANADIAN POSITION RESPECTING USE OF COUNTERVAILING DUTIES

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, has the minister made it very clear to the government of the United States that to embark upon a program of countervailing duties, as might be the case in this instance, would be a very serious step for the United States government to take? Are the Americans quite well aware of our stand in this regard?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Yes. The representations we will make will cover all aspects of this question in terms of what is needed to undertake regional development in Canada, and in terms of comparing the situation of Canadian business with American business. American businessmen can enter the Canadian market much more easily than we can normally enter the U.S. market, in view of the fact that Canadians have to have quite a high export content in order—

Mr. Speaker: Order, please.

Mr. Pepin: —to develop viable plants.

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

Mr. Hees: Mr. Speaker, may I ask a further supplementary?

Mr. Speaker: Order, please. We will return to the hon. member in a moment after we have completed the first round of questioning.

[*Later:*]

Mr. Hees: As a further supplementary, Mr. Speaker, in view of the fact that the government has known all about this very serious case for many months, is it a fact that the government has not already made a very serious presentation to the United States government, or is it waiting until some time in the future to make a vague presentation?

Mr. Pepin: Mr. Speaker, I have in front of me a number of clippings of previous answers where I made that very point.

* * *

[*Translation*]

AGRICULTURE

EGGS—ADEQUACY OF SUPPLY AND DEMAND—REQUEST FOR EXPLANATION RESPECTING IMPORTATION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wish to direct a question to the Minister of Agriculture.

Referring to an answer published in yesterday's *Hansard* concerning the production of eggs, may I ask the minister to say—without naturally giving any figures—whether the production of eggs in Canada meets the needs of the domestic market?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Yes, Mr. Speaker, and it is slightly larger than the demand on the domestic market.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I should like to put a supplementary question.

Can the minister tell the House why Canada imported eggs in 1971?

[*English*]

Mr. Olson: I suppose because the prices were higher here, the same motivation that caused us to export about 180,000 cases in some years.

* * *

INSECTICIDES

INQUIRY AS TO POSSIBILITY OF CONTROLLED USE OF DDT TO KILL MOSQUITOES AND BLACK FLIES

Mr. G. W. Aiken (Parry Sound-Muskoka): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. Is the government considering the controlled introduction of DDT for residential and recreational spraying of mosquitoes and black flies? I ask this question because of certain reports that have been circulated.

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, there may be some consideration going on from time to time by an interdepartmental committee respecting this matter because it is charged with the responsibility of looking at alternatives, but I know of no action that is contemplated immediately in this regard.

• (1430)

Mr. Aiken: Has an effective alternative or substitute for DDT been developed and is the minister's department working on an alternative?

Mr. Olson: We are, Mr. Speaker, but it is too simple to say it is an alternative because there are alternative products for some purposes and there are no satisfactory alternatives for other purposes.

EXCHANGING OF RESEARCH INFORMATION WITH UNITED STATES ON CONTROL OF DDT AND SEARCH FOR ALTERNATIVES

Mr. A. P. Gleave (Saskatoon-Biggar): I have a supplementary question, Mr. Speaker. In view of the very severe ban the United States has placed on the use of DDT, is there cross-research between the two countries? Are we exchanging research information on the control of DDT and on the search for alternatives?

Hon. H. A. Olson (Minister of Agriculture): Yes, Mr. Speaker, and I should remind you, Sir, and the House that we did restrict the purposes for which DDT could be used by about 90 per cent only a few months ago.

Inquiries of the Ministry

NATIONAL DEFENCE

ALLEGED INADEQUATE QUOTA FOR NEWFOUNDLAND IN PROVISION OF WORK UNDER STUDENT SUMMER EMPLOYMENT PROGRAM

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is directed to the Minister of National Defence. In view of the continuing serious need for employment for students, particularly in the Atlantic region, would the minister investigate the reasons for the fact that the Newfoundland share of the 15,000 opportunities under the student summer employment program in the Department of National Defence was less than half of one per cent, other than militia training which is an ongoing program, and would the minister review the quotas allocated with a view to showing equality to all the provinces?

Hon. E. J. Benson (Minister of National Defence): Mr. Speaker, I will be pleased to look into the matter.

* * *

INDUSTRY

DOMINION AVIATION—INQUIRY AS TO DECISION ON APPLICATION FOR DEVELOPMENT GRANT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Industry, Trade and Commerce regarding the application of Dominion Aircraft Corporation which is seeking to build planes in the lower mainland of British Columbia. I believe the minister indicated some time ago that consideration was being given to their application under PAIT. May I ask whether a decision has been reached and, if so, what that decision is?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I replied a few days ago to the hon. member for Peace River that I would be in a position to announce the decision in a week or two. I hope I still have a few days left under that statement.

* * *

AIR CANADA

INQUIRY AS TO INTRODUCTION OF EXCURSION FARES WITHIN CANADA

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is directed to the Minister of Transport. In view of the growing imbalance in tourist account between Canada and the United States, can the minister inform the House whether Air Canada is planning any excursion fares that would encourage Canadians to travel in Canada?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I was informed this morning by a letter from the chairman of the board of Air Canada that he has on their way to me in the mail, or they will be here in a short time, some proposals for fare revisions. He did not indicate the nature of these proposals, but as soon as I receive them

and discussions take place I shall be glad to inform the House.

Mr. Dinsdale: When the minister reports, will he indicate whether the double discount family fare, which is restricted to Air Canada flights to the United States at the moment, will apply to Canadian domestic flights as well?

Mr. Jamieson: I will certainly take that up with the officials of Air Canada, Mr. Speaker.

* * *

[*Translation*]

LABOUR RELATIONS

QUEBEC—LONGSHOREMEN'S STRIKE—TELEGRAM FROM MONTREAL PORT AUTHORITY—POSITION OF PRIME MINISTER

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, the Minister of Labour being absent, I shall direct my question to the right hon. Prime Minister.

Still with regard to the longshoremen's strike in Montreal, I hear the minister has had consultations with the maritime association, and today with the union. Did the right hon. Prime Minister receive a telegram this morning from the Montreal Port Authority and, if so, has he sent a reply and what was it?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, I believe I did receive such a telegram from the Montreal Port Authority. I just read it on my way to the House. No reply has yet been sent except for acknowledging it, I believe.

QUEBEC—LONGSHOREMEN'S STRIKE—RESULTS OF MEETING BETWEEN MINISTER AND PARTIES

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

Does the Prime Minister know what are the results of the meetings held yesterday and this morning with the Minister of Labour and is the settlement of that conflict expected in the near future?

Mr. Trudeau: Mr. Speaker, I understand that the Minister of Labour is now trying to settle that conflict by meeting with the parties involved in Montreal. I do not have any further report for the moment.

QUEBEC—LONGSHOREMEN'S STRIKE—SUGGESTED ESTABLISHMENT OF TRUSTEESHIP AS SOLUTION TO DISPUTE—POSITION OF GOVERNMENT

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I have a supplementary for the right hon. Prime Minister.

In view of the suggestion made by the Montreal Port Authority, in a telegram sent to the Prime Minister this morning, of trusteeship as a solution to the conflict, can the Prime Minister tell us whether he is considering this possibility?

[Mr. Jamieson.]

Right Hon. P. E. Trudeau (Prime Minister): Once more, Mr. Speaker, I was apprised of the telegram only a few moments ago and I have not yet sent a reply.

Mr. Valade: Mr. Speaker, since the Montreal Port Authority does recommend trusteeship in the telegram and since I am informing the Prime Minister of this position of the Montreal Port Authority, may I ask the Prime Minister whether he considers that the action recommended is likely to settle the conflict?

Mr. Trudeau: Mr. Speaker, I tell the hon. member again that I have just been apprised of the telegram. Therefore, I have not yet considered the reply to be made nor the other matter mentioned by the hon. member.

QUEBEC—LONGSHOREMEN'S STRIKE—POSSIBLE INTERVENTION OF QUEBEC MINISTER OF LABOUR—POSITION OF PRIME MINISTER

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

Because of the absence of the Minister of Labour, I should like to ask the Prime Minister whether it was the statement of the Quebec Minister of Labour to the effect that he would intervene personally if the conflict was not soon settled, which has incited the federal government to act and take remedial measures immediately.

Mr. Trudeau: Mr. Speaker, all I can say is that the Quebec Minister of Labour, judging by his past performances, could not be very useful to us in this matter.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

GROUNDS FOR TEMPORARY RELEASE OF CHARLES DAVID HEAD FROM PENITENTIARY

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Solicitor General a very serious question. What grounds and what formula were used in granting a temporary release to Charles David Head who was convicted on May 26, 1967 and sentenced to life for the rape of a six-year old girl and given a five-year concurrent sentence for attempted rape of a nine-year old girl and prior to that time had two charges of rape and indecent assault on a six-year old girl and was given life imprisonment and declared criminally insane and given an indeterminate sentence? On what grounds was this man given a temporary release under the plan the Solicitor General seems to be using and which is contrary to section 684(3) of the Criminal Code?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): For the simple reason, Mr. Speaker, that he is still a man and a citizen of this country.

[*English*]

Mr. Woolliams: He may be a man and a citizen of the country but I would assume that Tanya Bush of Vancouv-

er who was recently found dead, probably due to foul play, is also a girl and a citizen of this country.

Some hon. Members: Hear, hear!

Mr. Woolliams: Mr. Speaker, I see that the Prime Minister wants to get into the act. If he wants to tell the House the formula—

Mr. Trudeau: Are you linking the two? Are you making an accusation?

Mr. Speaker: Order, please. The hon. member was given the floor for a supplementary. Perhaps he might ask it now.

Mr. Woolliams: I should like to put the question again. Under what formula and what rule of law—I am not asking a question of law, I am asking a question of fact—was this man given temporary release and was his release signed properly by anyone in the proper office or was it a forged release?

[*Translation*]

Mr. Goyer: Mr. Speaker, this great lawyer from western Canada should know that one does not make reflections which can cause people to bear judgment on a man's actions before this man appears before the courts. This is the law of this country, and this great lawyer should respect it.

[*English*]

Mr. Ricard: Don't be so smart. Give an answer.

Mr. MacInnis: You are breaking the rules here. You can't even live up to the rules of the House.

Mr. Woolliams: I should like to ask one further question, Mr. Speaker. I do not mind the insinuations or insults. I am seeking information on a serious matter. There are certain rules and laws laid down in the Criminal Code and the Penitentiary Act in reference to temporary release. I am asking the Solicitor General—if he does not care to answer that is his prerogative and I appreciate that—on what grounds was this man released? What were the grounds?

Mr. Diefenbaker: This fine citizen!

[*Translation*]

Mr. Goyer: Mr. Speaker, this citizen has been granted temporary release for the third time and we have no evidence to date that he has not behaved properly; on the contrary, all evidence goes to show that he has behaved very well. In the past, over a period of four years, we have granted temporary release on 133 occasions to 25 of these inmates convicted for sexual offenses and we have had not one serious case to deplore.

• (1440)

[*English*]

Mr. Woolliams: Mr. Speaker, may I ask one more supplementary question?

Mr. Speaker: Order, please. The hon. member might ask a supplementary and then we might go to the next subject.

Mr. Woolliams: Would the minister make a full statement on motions in reference to the granting of the temporary release, indicating whether there was any supervision after the man was released and also setting out the rules, the law and the grounds by virtue of which this person was released in those circumstances?

[*Translation*]

Mr. Goyer: Mr. Speaker, I do not see any reason why I should comment on the private life of an individual at this time. If circumstances warrant it, I will do so then.

* * *

[*English*]

PUBLIC SERVICE

POSITION OF DISCUSSIONS RESPECTING ESCALATION OF PENSIONS IN ACCORDANCE WITH FULL COST OF LIVING INCREASE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the President of the Treasury Board. On May 9, in response to a question of mine, the minister referred to the possibility of consultations being held with the representatives of the public service employees with respect to the escalating of the pensions of retired public servants in accordance with the full increase in the cost of living. Can the President of the Treasury Board say whether those consultations are taking place and, if so, how they are progressing?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, there was some discussion about the particular form these discussions should take. I think it has now been agreed what the appropriate form should be and they are now in progress.

* * *

EXTERNAL AFFAIRS

WHEREABOUTS OF VESSEL, "GREENPEACE III"

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, may I direct my question to the Acting Secretary of State for External Affairs or to the parliamentary secretary. Has the government any information on the present whereabouts of the Canadian-owned and Canadian-skippered ship, *Greenpeace III*? Also, has the government of France been asked for any information on the location of this vessel and the well-being of its crew?

Mr. Paul St. Pierre (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the government does not know the exact location of *Greenpeace III* at this time. If I may respond to the second part of the hon. member's question, the government of France has, we understand, publicly stated that it will not permit the occupants of *Greenpeace III* to place themselves in a position of danger.

Mr. Macquarrie: May I ask whether it is the view of the government of Canada that the government of France has the right to arrest ships on the high seas in these circumstances?

Mr. Speaker: Order, please. The hon. member is asking for a legal interpretation and I doubt that the question is in order.

* * *

INQUIRY OF THE MINISTRY

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Prime Minister. I am interested in what compels Marc Lalonde, the right hon. gentleman's principal private secretary, to make the rounds of *Time* Magazine and the Toronto *Sun* and suggest by letter and interview that these journals have been unduly critical of the right hon. gentleman.

Some hon. Members: Oh, oh!

Mr. Bell: Explain.

Mr. Fairweather: A supplementary question, Mr. Speaker. I think the country is entitled to know whether the Prime Minister's concept of democracy is so fragile that it only accepts that rare remnant of comment that is favourable.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

* * *

[*Translation*]

CANADIAN CONSTITUTION

POSSIBLE RESUMPTION OF FEDERAL-PROVINCIAL CONFERENCES—POSITION OF PRIME MINISTER

Mr. Roch La Salle (Joliette): Mr. Speaker, I would like to ask a question to the right hon. Prime Minister.

Last June 19, the Health Minister of the Province of Quebec stated at the Canadian Welfare Conference that it was imperative to renew negotiations about the constitution.

Would the Prime Minister tell the House if, on the one hand, the Premier of Quebec has advised him of such a wish and, on the other hand, if he himself is ready to renew these negotiations?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, on this subject, I have always said to whoever wanted to hear that the last series of constitutional conferences was not successful because the Province of Quebec did not agree with all the other provinces and the federal government. If this province wants to renew constitutional debates, it should do so from a clear, definite and known position and I hope that there would be then some chance of success.

[Mr. St. Pierre.]

[*English*]

INDUSTRY

RECOMMENDATIONS OF TEXTILE AND CLOTHING BOARD RESPECTING CERTAIN YARNS AND FABRICS

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, I wish to direct my question to the Minister of Industry, Trade and Commerce. Has the minister received recommendations from the Textile and Clothing Board regarding its investigation into three important areas of Canada's foreign trade, acrylic yarns for use in machine knitting operations, double knit and warp knit fabrics, and broad woven polyester filament fabrics? If so, will he give the House the substance of these recommendations and his reaction to them?

Mr. Speaker: Order, please. I hope the minister can reply to that question briefly. Normally the answer ought to be given by way of a statement on motions. The minister will be recognized for the purpose of giving a brief answer.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, if my memory serves me well, I have received reports on the first two items mentioned. These reports will be tabled in due course.

Mr. McIntosh: May I ask the minister what safeguards are provided by the minister to ensure that the operations of the board are not detrimental to the Canadian policy of freer world trade, a policy to which the minister so often gives lip service?

Mr. Pepin: Mr. Speaker, it is very simple—

Mr. Speaker: Order, please. The question, in those terms, is not in order. I believe the right hon. member for Prince Albert has a supplementary to the previous question.

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CANADIAN CONSTITUTION

POSSIBLE RESUMPTION OF FEDERAL-PROVINCIAL CONFERENCE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Prime Minister. Is he giving consideration now to the reconvening of a Canadian conference on the constitution? I should like to know what his position is because I seem to recall that all these problems were going to be solved under his regime.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not, as I said just a moment ago in answering the question of the hon. member for Joliette, giving consideration at this time to reconvening the constitutional conference, and I seem to recall, too, that back in the early sixties all these problems were going to be solved.

Mr. Diefenbaker: Mr. Speaker, I am amused because the Prime Minister is rewriting history. That statement is false.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: If any conference were to be called, would the Victoria charter provisions be the general base from which to start? I should like to ask what the Prime Minister's views are in that regard and whether he has not found, since Premier Bourassa turned down the Victoria charter, that Mr. Bourassa was right in his stand?

Mr. Speaker: Order, please. I suggest that is debate.

Mr. Diefenbaker: Mr. Speaker, I would not want debate.

Some hon. Members: Hear, hear!

* * *

INDUSTRY

TEXTILES—INQUIRY AS TO DESIGNATION AS SENSITIVE AND MORATORIUM ON GRANTS FOR NEW PLANTS OR EXPANSION

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary to the previous question that was directed to the Minister of Industry, Trade and Commerce. May I ask the minister whether he has designated the textile industry as one of the sensitive industries and is he recommending or has he recommended to the Minister of Regional Economic Expansion that a moratorium be placed on grants to new textile plants or for expansions until markets have had a chance to stabilize?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, the philosophy of the textile policy, as announced in May of 1970, is that there are a number of viable sectors in this industry and that these only should be encouraged. That is why, through our regional development subsidies or otherwise, we have concentrated on these viable sectors. The Textile and Clothing Board helps in identifying these sectors and the quality of the plans developed and it makes recommendations to the Canadian government as to the degree of protection that might be needed at that time. The commission does not make policy; it makes recommendations on trade policy in textile matters.

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TRANSPORT

PROPOSED LINKING OF KOOTENAY AND ELK RAILWAY TO U.S. LINE FOR CARRIAGE OF COAL—RESULTS OF STUDY

Mr. Randolph Harding (Kootenay West): Mr. Speaker, my question is directed to the Minister of Transport. In view of the recent decision of the Supreme Court of Canada regarding the Kootenay and Elk Railway, and the announcement in the House by the minister that the matter was being studied, may I ask the minister whether this study has been completed and when a report will be made to the House?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, the judgment has been studied. The position, of course, is that the decision of the Supreme Court left an option open to the applicant company to reapply to the

Canadian Transport Commission. To my knowledge they have not done so so far. Simultaneously, incidentally, with the action before the Supreme Court of Canada an appeal was filed with the CTC on different grounds or under a different process. Both these matters are still pending. Presumably the next step is up to the applicant railway.

• (1450)

LEGALITY OF LICENSING OF KOOTENAY AND ELK RAILWAY BY GOVERNMENT OF BRITISH COLUMBIA

Mr. Harding: Has the department investigated the licensing of the Kootenay and Elk Railway by the government of British Columbia to ascertain whether the terms of the Railway Act have been contravened, bearing in mind the international purpose for which this spur railway line is to be used?

Mr. Jamieson: I will have to take notice of that question, if the hon. member does not mind. It is quite complicated in law and I should like to get a legal opinion.

RESPONSIBILITY OF RAILWAYS TO PEOPLE OWNING LAND ALONG LINES ON WHICH SERVICE ABANDONED

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, I have a supplementary question for the Minister of Transport. When the Canadian Transport Commission grants to railways the right to abandon service on certain lines, does this include the abandonment of responsibility to the general public owning land along the right of way with regard to the upkeep of fences—

Mr. Speaker: Order, please. That is debate or argument rather than a question. At this point I think I should bring to the attention of hon. members that there are about six minutes left before the end of the question period and there are at least 20 members seeking an opportunity to ask questions. When 50 members enter the House and rise at two o'clock all thinking they are going to ask questions, I suggest that hon. members should look around them and notice what is happening and resign themselves at that point to the fact that they are not all going to have an opportunity to ask a question on every day. It just cannot work that way.

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

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AIRPORTS

MOUNT HOPE, ONT.—DETAILS OF EXPANSION—MEETING WITH REGIONAL REPRESENTATIVES

Mr. Colin D. Gibson (Hamilton-Wentworth): Mr. Speaker, I have a question for the Minister of Transport. To avoid uncertainty and to clear up many rumours, can the minister inform the House whether a meeting with regional representatives of the Mount Hope, Hamilton, Ancaster and Binbrook areas has been scheduled in connection with the details of proposed airport expansion plans at Mount Hope airport?

Inquiries of the Ministry

Hon. Donald C. Jamieson (Minister of Transport): A preliminary meeting has been held which was attended by the regional director and, I believe, by representatives of the air administration. Within a few days I shall have, I think, three alternatives—if one can have three alternatives—which will be submitted to the county councils or the group of councils to which the hon. member has referred.

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NATIONAL HARBOURS BOARD

INQUIRY AS TO TABLING OF ANNUAL REPORT—CERTIFICATION BY AUDITOR GENERAL

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Transport with regard to the annual report of the National Harbours Board which is required by statute to be tabled by March 30 each year. Why has the report not been tabled this year? Has it been certified by the Auditor General?

Hon. Donald C. Jamieson (Minister of Transport): It will be tabled, I believe, tomorrow. I had a letter from the Auditor General two or three days ago in which he indicated there were certain things with regard to the report which did not enable him to give it the necessary authorization or certification. But it will be tabled this week along with the Auditor General's letter and comments.

Mr. A. D. Hales (Wellington): When the minister tables it, will there be a financial statement certified by the Auditor General?

Mr. Jamieson: Rather than seek to answer the question in that form I will simply table the letter along with the documents which have been provided by the National Harbours Board. As I understand it, it is not certified in the sense the hon. member has mentioned, but I am not absolutely certain about the exact use of that word.

* * *

[*Translation*]

MANPOWER

QUEBEC—ON THE JOB TRAINING PROGRAM—EFFECTS OF DECREE GOVERNING CONSTRUCTION—DISCUSSION BETWEEN FEDERAL AND PROVINCIAL AUTHORITIES

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to direct a question to the Minister of Manpower and Immigration.

Since the federal on the job training program is often frustrated by the by-laws governing the building trade in Quebec, I should like to ask the minister if he is aware of that and if he intends to open talks with the Quebec representatives in order to settle this problem and make this program really efficient in all cases?

[*English*]

Hon. Bryce Mackasey (Minister of Manpower and Immigration): I must confess I am not aware of any contradiction. I certainly have no meeting planned with my counterpart in the province of Quebec.

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TRANSPORT

FREIGHT RATE INCREASES—ALLEVIATION OF EFFECT ON CAPE BRETON INDUSTRIES

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Minister of Transport. In light of the most recent freight rate increase in the Atlantic provinces and in view of a statement by a spokesman for General Instruments of Canada Limited that the potential advantages of being located in Cape Breton are slowly diminishing as a result of increased freight rates, may I ask what proposals the hon. gentleman can offer this employer of close to 1,000 people to alleviate the situation so that this operation is not placed in jeopardy as stated by the same spokesman?

Hon. Donald C. Jamieson (Minister of Transport): I would have to know the details but if the hon. member would be good enough to let me see the item in question I would be glad to talk with the company concerned.

Mr. Muir: I thank the minister for his reply; I shall be glad to provide him with information. In view of the fact there have been 12 domestic freight rate increases since 1968 when the Sydney Steel Corporation came into being, and bearing in mind that this company employs close to 3,000 people, what relief can the minister offer this corporation so that it will not be forced out of business?

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CONSUMER AFFAIRS

REQUEST FOR INVESTIGATION OF HIGHER FOOD COSTS IN NORTHERN MANITOBA COMMUNITIES

Mr. Robert Simpson (Churchill): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs with reference to a recent survey of food costs carried out in 21 northern Manitoba communities under the authority of the medical services branch of the Department of National Health and Welfare. The report states that the average cost of food in these 21 communities is 73 per cent higher than the cost of comparable food in Winnipeg. I should like to ask the minister whether this report has been brought to his attention and whether he intends to look into this unacceptable situation.

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): Frankly, the report has not been brought to my attention. I appreciate the hon. member raising the matter in the House, and I will look into it.

TRANSPORT

NEWFOUNDLAND—INQUIRY AS TO APPOINTMENT OF INDEPENDENT CONSULTANT TO STUDY SURFACE TRANSPORTATION

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to ask the Minister of Transport when he will be in a position to announce the appointment and the name of the independent consultant to carry out the study in connection with surface transportation in Newfoundland as announced by the Minister of Transport through the Canadian Transport Commission during the examination of the estimates of his department in committee?

Hon. Donald C. Jamieson (Minister of Transport): I would hope to be in a position next week to announce, if not the name of the consultant, then certainly the terms of reference. That has been the cause of the delay—the determination of the terms of reference.

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ENERGY

PROPOSED MACKENZIE VALLEY GAS PIPELINE—POSSIBLE PARTICIPATION BY PANARCTIC IN CONSORTIUM

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. Is it the intention of the government to encourage Panarctic Oils to join the consortium recently formed in Calgary to build the Mackenzie Valley pipeline?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Not at the moment.

* * *

AGRICULTURE

FARM MACHINERY—IMPLEMENTATION OF COMMISSION RECOMMENDATIONS

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a question for the Minister of Agriculture. It is one which has been asked a number of times but has never received a positive answer. Bearing in mind that the final report of the Barber Commission on the prices of farm machinery and repair parts was tabled in the House over a year ago, can the minister tell us whether the government plans to take any action with regard to some of the recommendations contained in this report before the twenty-eighth Parliament ends?

Hon. H. A. Olson (Minister of Agriculture): I am not sure we can give any reports respecting this matter further than those already given. I am sure the hon. member will recall that several positive steps were taken shortly after the first recommendations came out.

Inquiries of the Ministry

TRANSPORT

FUTURE OF SAINT JOHN-DIGBY FERRY IN LIGHT OF FREIGHT RATE INCREASES

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I have a question for the Minister of Transport with reference to the specific freight rate increases involving the Saint John-Digby ferry. I know this has been brought to the minister's attention, but I wonder whether he has had an opportunity to consider some of the information on his desk and whether he is prepared to make a statement on the future of the ferry in view of the fact that freight rate increases amount in some cases to 50 per cent, the tourist season is upon us, the ferry lost over half a million dollars last year, and there is no federal subsidy paid?

Hon. Donald C. Jamieson (Minister of Transport): As often happens, there are a great many parts to the hon. member's question. The short answer is that my officials are in discussion with representatives of Canadian Pacific on all these subjects at the present time.

Mr. Thomas M. Bell (Saint John-Lancaster): Would the minister assure us that he will take into consideration in this review the fact that there is a competing ferry which receives a subsidy from the government amounting to more than a million dollars?

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IMMIGRATION

SUICIDE OF ALICIA WIERCIOCH—INVESTIGATION OF PROVISION OF WRONG INFORMATION TO MINISTER

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, my question is to the Minister of Manpower and Immigration. I am wondering whether the investigation into the Alicia Wiercioch case has resulted in pinpointing those people who misinformed him. Has it been completed and, if so, how many persons are involved and what has happened to them?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): It is safe to say there has been some internal discussion between myself and the officials at headquarters about the type of information provided to be used in the question period in order that the House may not be unintentionally misled.

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NATIONAL REVENUE

POSSIBLE REQUIREMENT FOR ADDITIONAL SERVICES TO ASSIST TAXPAYERS IN SUBMITTING PROPER INCOME TAX RETURNS NEXT YEAR

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is for the Minister of National Revenue and it arises out of reports that more than one million tax returns submitted this year contained errors and must be processed at least twice by the department. In view of the increased complexities of the new tax legislation, would the minister say whether he has made any projection of

the requirement for additional services to assist taxpayers in submitting proper returns next year?

• (1500)

Mr. Speaker: Order, please. I would think that question should be placed on the order paper or discussed at the time of the adjournment. I apologize to the hon. member for Humber-St. George's-St. Barbe, the hon. member for Winnipeg North Centre and others. Perhaps they might be given some priority tomorrow. Orders of the day.

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED FAILURE OF GOVERNMENTS INCENTIVE PROGRAMS TO STIMULATE TRADE AND CREATE EMPLOYMENT

Mr. Hees, Prince Edward-Hastings (for Mr. Baldwin) moved:

This House regrets that the government's expenditures for incentive programs have failed to stimulate production and trade in Canadian goods and services and to open increased opportunitite for productive employment to Canadians.

Mr. Speaker: Order, please. I believe the hon. member for Winnipeg North Centre seeks the floor on a point of order.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I hesitate to rise if someone in the official opposition is going to do so, but I thought there was an agreement about the length of speeches today. I think the agreement was 30 minutes for the mover of the motion, 30 minutes for the member replying for the government, 20 minutes for the first speaker of the two parties at this end of the chamber and 15 minutes for everybody else.

Mr. Bell: I am sorry, Mr. Speaker, but our House leader did try to get complete agreement on this matter. However, it was not possible because some members had prepared their speeches on the basis of the time allotted by the Standing Order. Therefore, I would suggest we leave it the way it was proposed yesterday, that all the rules stand, but if at six o'clock it looks as though some members are being deprived of opportunities, then we will negotiate on that basis.

Mr. Knowles (Winnipeg North Centre): Fair enough; I agree.

Mr. Fortin: Agreed.

Mr. Hees: Mr. Speaker, the most accurate measure of a government's performance in stimulating production and jobs is the figures produced each quarter by Statistics Canada which show the real growth in output during that three month period. These figures are arrived at by subtracting the increase in inflation from the increase in the gross national product, and the resultant figure shoes the increase in real economic growth that has taken place during that period of time.

[Mr. Scott.]

I suggest that we begin this afternoon by examining the figures over the past ten years in order to judge the performance today compared with the industrial effort this country has made during the past ten years. During 1962, the first of those ten years and the last year the Conservative government was in office, the real output achieved in this country increased by 6.8 per cent. The average yearly increase during that ten year period has been 5.5 per cent. The figure released last Friday by Statistics Canada shows that during the first quarter of this year real output in this country increased at an annual rate of only 4 per cent, following a similar rate of increase during the last quarter of 1971. So we see, Mr. Speaker, that our industrial performance today is considerably below the performance over the past decade, and it gives a clear indication why unemployment remains well above the 6 per cent level. The natural question that arises is this: Why should our performance today be so far below what it has been in recent years? The obvious answer is that the government has failed to introduce adequate measures to stimulate the economy.

The next logical question is: What should those measures be? In answering that question, I suggest that we first take a look at the proposal the government made on May 8 last for stimulating the economy. The Minister of Finance (Mr. Turner) announced a reduction in corporation income tax paid by manufacturers and processors, to come into effect on January 1 next. However, this tax reduction will be largely nullified by two important tax increases which are to come into effect on that very same day. I think it is interesting to note that in his budget address the Minister of Finance made no reference whatsoever to these two tax increases. One member on the government side, who was recently a member of the cabinet, suggested the other day that the Minister of finance simply did not know that these taxes existed, but that, of course, is nonsense. The Minister of Finance must have known. Obviously he did know, and he did not mention either of these tax increases on that occasion simply to avoid embarrassment.

The first of these tax increases is the additional 5 per cent corporation tax that will be paid by all companies other than manufacturers and processors on January 1 next. As hon. members very well remember, last October the former Minister of Finance reduced all corporation income taxes in an attempt to stimulate business in general, but this tax reduction was only effective until January 1, 1973. On that date the amount of corporation income tax payable by all companies, other than manufacturing and processing companies, will go up by 5 per cent. Since businesses, other than manufacturing, comprise 65.8 per cent of the Canadian economy, this 5 per cent tax increase can be counted upon to slow down the pace of the economy to a considerable extent since these companies will have less capital with which to expand their operations. This impending tax increase is today slowing down any plans these companies might otherwise have had to expand their operations at this time.

Second, all personal income taxes will be raised by 3 per cent on January 1 next. When he brought in his budget last October, the former Minister of Finance lowered personal income taxes by 3 per cent until January 1, 1973, when they will return to their former level. It is obvious

that this increase in personal income tax will take an important amount of money out of the pockets of the Canadian buying public from January 1, 1973 onward. Sales and production will be slowed down by the amount of purchasing power taken out of circulation, and this knowledge is at present slowing down plans for expansion by all businesses because these companies know they will all be adversely affected by this brake on purchasing power.

• (1510)

What is needed to get the economy going is a shot in the arm right now, not sometime six months hence, eight months, 10 months or a year. We are facing very serious unemployment today and the economy of this country has been moving very sluggishly for at least three years. The kind of government actions needed to bring about such a shot in the arm right now to get the economy moving again are the following. First of all, the government should make the reduction in corporate income tax for manufacturers and processors effective on July 1 next instead of waiting until July 1, 1973, so that important segment of the economy will be encouraged to expand its operations now, not six months, nine months or a year from now.

Mr. Pepin: We need time to plan and put it into effect.

Mr. Hees: The Minister of Industry, Trade and Commerce (Mr. Pepin) queries that statement. This government has introduced, on the average, two budgets a year for the past three years. It has brought in these budgets because each budget was supposed to stimulate the economy and get it moving, but a couple of months following the presentation of each budget it was found they were not able to do the job. The government had to start all over and bring in another budget to stimulate the economy. A couple of months later it was found that the measures introduced did not do any better, and so there were tax changes galore. This government never knows where it is going and it desperately grabs at anything on which it can get its hands. It changes taxes in every way it can, and the manufacturers and processors of this country have no way of knowing whether in two or three months time the government will find that this move is unproductive and change the whole tax structure again, so what they are planning on now will simply not come into effect. That is why these tax reductions should have been made available on July 1 next, not on January 1, 1973.

The second thing the government should do is announce that corporation income taxes for all businesses, other than manufacturing and processing, will not be restored to their former level on January 1, 1973. As I have said, at that time those taxes will increase by a little more than 5 per cent.

The third thing the government should do is announce immediately that personal income taxes will not be restored to their former level on January 1, 1973, but will be reduced by a further 5 per cent on July 1 next. Such a move is very much needed now to put the additional purchasing power needed today into the hands of the Canadian buying public so it can increase purchases, which in turn will increase production, get the economy moving and create the jobs so very badly needed in this country today. That increase in personal income tax will take a very severe bite out of the purchasing power of the Canadian people and will materially slow down the orders factories receive from stores where customers place their orders. When this comes into effect, it will have a very serious impact on our economy.

The fourth thing this government should do is introduce a massive export drive to greatly increase sales of Canadian products in the markets of the world where sales have been decreasing.

Mr. Pepin: You are asking us to do things we have already done.

Mr. Hees: The minister interjects by saying he is doing this. As a former minister of this department I have followed his moves very carefully, indeed. If he knew how dejected the members of his department are, from the top to the bottom, about the inadequacy of the juvenile approach he is taking to this whole matter as compared to what they know is needed he would be shocked. The effort today can only be described as very inadequate.

I have been hoping for a long time that the department would finally get into gear, that the minister would get the spirit of the thing and we would see a massive trade drive moving forward. That drive has not materialized. The minister has called some of his trade commissioners back to Canada and asked them what they thought should be done. They have told him what they think should be done, but he has not done anything. There does not seem to be any indication that the minister will do anything about this. My purpose today is to try to prod him into doing something. These men know what is needed to increase sales of Canadian products in the markets of the world. Many of them were in the department 10 years ago when exactly what I am suggesting was done. A massive trade drive took place and in one short year the 10 years of Liberal trade deficits were turned into our first trade surplus. Our sales abroad increased year after year and laid the foundation for the prosperity of the 1960's. Those men were here then and know this can be done. They know what must be done and they have asked the minister to do it.

My information is that the minister has taken these propositions to the Cabinet, and I give him credit for this, but the cabinet has turned him down as they would involve spending money. Certain of his colleagues have said they want to see the government spend money in other directions rather than in this way, or that is my information.

Mr. Pepin: Be specific, otherwise I cannot judge.

Mr. Hees: I am trying to give the minister the best of it. I am trying to picture him in the best possible light. If he does not want to be pictured in that way, I would simply say he has to take full responsibility. I think he has done his best. I am told he has gone to the Cabinet but cannot sell his ideas to his colleagues. He is a very frustrated minister. If he has not done what I am told he has done, then 100 per cent of the blame rests on his shoulders.

Mr. Pepin: I cannot judge because no specific suggestions have been made.

Mr. Hees: The fifth thing the government should do is introduce tax incentives to induce greater productivity and, by reducing costs and selling prices, make our products more competitive both in Canada and in the world markets. In this way, our Canadian products would sell in greater volume in Canada and in markets of the world and, as a result, production would be increased and jobs created. These tax incentives would be paid on the basis of increased productivity in individual plants and would give industrial leaders in this country the incentive they need to persuade them to buy expensive new plant equipment and production systems necessary to get costs down, making it possible to sell Canadian products at more competitive prices.

• (1520)

Now, having told the government what it should do, the question is what are the chances of the government adopting these very sensible suggestions. The answer I am afraid is that the chances of that happening are very slight. There seems to be ingrained in all Liberal governments a certain arrogance which makes it impossible for them to accept suggestions from anybody else. When I was here before we formed the government, when the St. Laurent government was in power, Mr. Howe, Mr. Harris and all the others would not consider a suggestion. They did not realize how wrong they were until they woke up around eleven o'clock on June 11, 1957 and found they were out of office. Now, I see exactly the same situation developing again on the other side of the House. There is the same arrogance, the same conceit and the same unwillingness to accept any suggestion, no matter how constructively it is put forward.

I see the Prime Minister (Mr. Trudeau) in the next couple of months once again having the same tremendous debate in his own mind concerning whether he will have the election this fall or put it over until next spring. The story about what went on here a few weeks ago is well known. The Prime Minister was all set to go. He thought he had it in the bag for the Wednesday, and then he received the polls from across the country which showed he would lose a great many seats. His pollsters told him they were not sure whether the result would be a minority Liberal government or a minority Conservative government. So, at the last moment, the Prime Minister decided not to go to the country. He gave the vague excuse we all heard and laughed at. He simply turned tail and ran.

What is to happen when the government will not accept these sensible suggestions so that the economy could get going during the summer or early fall? The Minister of Finance (Mr. Turner) had hoped his incentives which were introduced on May 8 would do the job. They will not for the reasons I have mentioned. We will see the Prime Minister trying to decide once again whether he should hold the election in the fall, as he did when he tried to decide about the spring election, or hope that things will get a little better next spring. I say things will not get better, and for a very good reason. I say that reluctantly because I would like to see things get a whole lot better in this country.

The incentives of the Minister of Finance will not work for the two reasons I mentioned earlier. Two matching tax increases will take place simultaneously. His tax increase for all companies, other than manufacturing and processing, largely nullifies the benefit of the decrease to manufacturing and processing industries, and for a very good reason. In the minister's proposition which he mentioned on the night of May 8, there is absolutely no requirement that business spend the benefit from that tax reduction granted to manufacturers and processors in the way the government wishes them to which is to increase their production and provide more jobs for the Canadian people. These manufacturers and processors can take that tax reduction and do any one of three things with it. First, they can do what the government and the country wants, which is increase their operations, increase their production and make it possible to provide jobs for the people in Canada who want to work. Second, they can pay out the benefit from the tax increase in the form of annual dividends or, third, they can put the benefit from the tax decrease into the company reserves.

There is no indication at all concerning what the manufacturers and processors of this country will do with the windfall which will come to them starting January 1 next. The government is reducing taxes to one segment of the economy which means that another part of the economy will have to make up the loss. The general taxpayer will have to make it up in some way or other. Any businessman will tell you that if you want businessmen to do something you do not simply hand them a lump sum of money, as this government is doing, and trust in God that they will do what you want them to do. A good many businessmen in this country are laughing up their sleeves at the Minister of Finance today. There is no requirement that they spend the money in the way the government wants them to do.

What the government should have done, and should do now, is say to businessmen that this is what we want you to do; if you do it you will be rewarded generously at the end of the year in exact proportion to the way in which you carry out the government's wishes. In other words, the government should say to them that if they increase production and increase jobs in their plants to a certain percentage they will receive a proportionate tax rebate; the more they do this the greater the tax rebate they will receive. In that way, business is being paid when it has done what the government wants it to do rather than being given the money ahead of time in the hope that it will do it. That is the kind of thinking fuzzy-minded theorists do and believe will work. It will not work because many manufacturers and processors in this country simply will not use that reduction in the way in which the government wishes, and there is absolutely nothing the government can do about it.

I am afraid the government will not accept these very sensible, business-like suggestions. There is no member on the other side of the House who could claim for a moment that any one of the suggestions I have made is not sensible, straightforward and businesslike in respect of getting the economy going. Because the government will not accept these suggestions, I am afraid we are destined to see the economy move along in the same sluggish and ineffective way it has been for three years

now. I am afraid also that the Prime Minister, as he discusses the situation with himself, will be putting to himself the proposition of whether he should have an election now or put if off until the spring in the hope that some improvement will take place. What a prospect! We will just have to look forward to such a discussion going on and the prospect of going through another year of Liberal misrule and mismanagement as well as very poor economic conditions. This is something the government of this country has no right to impose on the people of the country.

Once again, I say the government should forget its arrogance and for heaven's sake for once accept some sensible suggestions and get the economy of the country going, so that we will be in a position where the Prime Minister can have sufficient confidence to go to the country next fall. Let us have the economy of this country run well for the first time in many years.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, the failure of the government's various incentive programs is proven by the state of the economy. From the fiscal year 1968-69 up to and including the present fiscal year, the government will have paid out in hand-outs to corporations in this country the staggering sum of $2,162,217,000. The Canadian people have a right to ask what they are getting for this very large gratuity. What is the situation in the economy? We now have over half a million unemployed. If you add to that those on manpower training, those temporarily employed, in Opportunities for Youth and the Local Initiatives programs, the unemployment figure is probably closer to three quarters of a million.

• (1530)

The figures just issued by the government show that in the first quarter of this year the rate of growth in real terms is only 1 per cent. It is significant to note that each year the handouts by the government have increased. For example, in 1968-69, the grants were $390,593,000. They went up each year until this year they are $530 million. One would have expected that these increased grants would have resulted in declining unemployment, but that is not the case.

In 1968, the seasonally adjusted figure for unemployment was 4.8 per cent. In 1971, it had reached 6.4 per cent. While the government has poured out more money, the state of the economy has not improved. Unemployment has gone up. Our rate of productivity has remained more or less stagnant and the economy is lagging far behind its potential. That is why I say the people of this country have a right to ask why these incentive programs have been a failure.

I suggest there are three reasons why they have been a failure. The first is that incentive grants by themselves are not the answer. Both the Liberal and Conservative parties have a great deal of faith in the trickle down theory. They believe that if you pump in enough money at the top, it will trickle down to the people at the bottom. It has not worked that way.

As a matter of fact, the corporate sector of the economy does not particularly need great financial assistance. Figures have just been issued for the first quarter of 1972.

A survey made of 426 firms shows that after taxes, I repeat after taxes, profits rose by 36.2 per cent. Last year the chartered banks made record profits. Of the eight banks surveyed, they showed an increase in the first quarter of this year of 41.3 per cent. What the government has failed to do has been to recognize that this economy needs stimulation by increasing the aggregate demand.

The New Democratic Party has been telling the government in season and out of season that if they want to get the economy moving and if they want to provide jobs for our people, instead of pouring money in at the top, very little of which trickles down to the people, they should put the money where it will create a demand for goods and services. We recommended many things, such as the reduction of personal income tax in the middle and lower income groups. We suggested lowering interest rates, making money available for low cost housing and making large sums of money available to the provinces and municipalities for socially useful projects. Even if the government wants to give some incentives to industry, as the Minister of Finance (Mr. Turner) has done in his budget to the tune of $500 million, those incentives ought to be given on the basis of labour intensive industries rather than capital intensive industries. Giving accelerated depreciation and reduced taxes to large corporations does not guarantee that they will use those savings to create jobs. If the government wants to provide an incentive, let it do so on the basis of jobs created rather than on the basis of profits made.

The second reason this incentive program has failed is that there has been an unequitable distribution of these grants across this country. For some time members in this party have been trying to find out the formula upon which industrial incentive grants are given. I must confess that that formula is like the peace of the Lord, it passeth all understanding.

If we take the period from July 1969 to June 1971, we find that in the province of Quebec there were 37.2 per cent of the unemployed in Canada. They received 38.8 per cent of the money paid out. In my opinion, that is fairly equitable distribution. However, in the province of British Columbia in the same period we had 12.6 per cent of the unemployed people in Canada and we received one half per cent of the money paid out.

If one turns to the period from July 1971 to February 1972, the picture is even worse. We find that the province of Quebec, where they had 35.7 per cent of the unemployed, received 61.1 per cent of the money paid out. In the province of British Columbia, where we had 11.8 per cent of the unemployed in Canada, we received 3 per cent of the money paid out in incentive grants. It will be said that Quebec has very high unemployment, and it has. However, I point out that British Columbia, according to the figures for May 1972, has exactly the same unemployment rate as the province of Quebec, namely 8.1 per cent. That is exceeded only by the Atlantic provinces which have a seasonally adjusted rate of unemployment of 9.7 per cent.

As an illustration of the tendency of this government to forget the west and be completely oblivious to the needs of British Columbia, I point to the case of Dominion Aircraft Corporation about which I asked the minister a question this afternoon. This company is seeking to manufacture STOL aircraft with the prospect of providing employment for between 400 and 500 persons on the lower mainland in the Sea Island plant it hopes to open there. I do not have the technical competence to say whether this is a good or marketable aircraft, but the company claims that it has firm orders for 23 aircraft, and it has orders held in abeyance for 17 aircraft at $130,000 per aircraft.

This company did not ask for a grant. They merely asked the government to guarantee their loan from the bank for a figure, I believe, of some $3.5 million. Their application was rejected. They have now been told to apply under PAIT. This company has been waiting months for an answer. The minister told me this afternoon that he expects to be able to make an announcement regarding the decision of his department within a week or two. This group has been waiting for months. When I recall that the two aircraft industries in central Canada, De Havilland and Canadair, have had grants totalling $90 million, I find it extremely difficult to understand why the government could not underwrite a bank loan of $3½ million to put 300 or 400 people to work in the lower mainland of British Columbia and to provide western Canada with an aircraft industry.

• (1540)

It is passing strange that of the more than $2 billion we have paid out in incentive programs over half of it has gone to foreign-owned and controlled multinational corporations. We have been able to spend hundreds of millions of dollars helping foreign companies to come into Canada, acquire a stake in this country and take over part of our economy, but when a Canadian company seeks to get started in Canada the government seems to have no facilities to help it.

That brings me to the third reason why I think this incentive program has been a dismal failure, and that is that it has completely ignored small Canadian companies and small Canadian businessmen. After all, Mr. Speaker, these small Canadian businesses, these retail merchants and wholesalers and those in the service industries, provide employment for hundreds of thousands of Canadians in the cities, towns and smaller communities of Canada. They are being discriminated against. First of all, they are being discriminated against in the matter of taxation. Under the recent budget they are going to pay the full corporation tax, whereas the manufacturing and processing sectors of the economy will have their tax frozen at 40 per cent. And when the tax cuts of last December expire, as they will on December 31 of this year, and personal income tax goes up by 3 per cent and corporation tax goes up by 7 per cent, the small businessmen, the retailers, wholesalers and those in the service industries will find that in 1973 they will be paying a tax rate 20 per cent higher than the manufacturers and processors.

As the hon. member for Duvernay (Mr. Kierans) has pointed out, it is not only a matter of higher tax rates. It is also a matter of the higher or accelerated depreciation and depletion allowances that are given to the capital intensive industries. He pointed out that a retail merchant pays taxes on 90 per cent of his book profits whereas the metal mining industry pays taxes on only 13 per cent of its book profits, and the oil and gas industries on only 5.7 per cent of their book profits.

The small businessmen are also discriminated against in that they do not have access to the capital markets to secure the money they need to expand their operations. Big corporations have little difficulty in this regard. They are able to borrow money. The lastest figures show that the corporate sector of the economy in the last year increased its demand on term loans with the banks at a rate of 30 per cent annually. That has forced the Bank of Canada to increase the money supply at a rate of 25 per cent annually. That in turn has pushed up interest rates. It has encouraged short-term capital to move into Canadian banks, and pushed up the value of the Canadian dollar with disastrous results for Canadian exports.

As a matter of fact, what has happened has been that the corporations have been monetizing their debts. But what happens to a small businessman when he wants capital? Mr. Speaker, never in all the years that I have been in public life have I had so many communications from small businessmen and entrepreneurs asking how they can get some assistance to secure adequate capital to meet their needs.

The Small Businesses Loans act is a farce and everyone knows it. All of this was completely substantiated in the statement made by the newly elected president of the Canadian Manufacturers Association, Mr. Daniel Sprague, when he said:

> If we want to maintain small Canadian companies then a source of capital definitely has to be created . . . Perhaps the new Canada Development Corporation could fulfil this function, but it would be better if the private sector took on the responsibility . . . In fact, the large private holders of funds, such as banks and trust companies, could devote some portion of their energies to supplying venture capital to Canadian companies.

I am not very hopeful that the trust companies and the banks will supply that venture capital.

There are three possibilities. The first is that the Canada Development Corporation will do it, but only if the government is prepared to remove the provision that an applicant must have assets of $1 million or over. The second possibility is that the government will require the banks and lending institutions to set aside a portion of their liquid assets to help finance small business and housing. The third is that the government set up an agency to make capital available to these small entrepreneurs.

I want to point out that these small entrepreneurs, if they are able to expand, will provide jobs. They will provide jobs in many of the communities that the big corporations do not locate in and, even more important, these companies of Canadian citizens, if they are assisted in their development, will enable us to retain a greater degree of Canadian control of the economy. It seems to me that the government has to rethink its various incentive programs. It has to stop depending upon handouts to large corporations. The results prove that this has done nothing either to stimulate the economy or to provide jobs. Even more serious, it has done the opposite because half the money has gone to enable foreign corporations to

develop in this country at the expense of Canadian companies.

The time has come for the government to think in new terms, to think in terms of putting these large sums of money where they are needed to create aggregate demand, higher pensions, municipal and provincial works, housing programs, and assistance to small Canadian companies and Canadian businessmen, so that they can play the part they are prepared to play if given a chance in developing this country and making it a prosperous nation.

• (1550)

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, once again the House has before it this ever present motion aiming at providing meaningful employment in Canada, and I quote:

This House regrets that the government's expenditures for incentive programs have failed to stimulate production and trade in Canadian goods and services and to open increased opportunities for productive employment to Canadians.

Mr. Speaker, it is disheartening to note the extent to which members, and even political parties, can be irrational. Only a few days ago, the Minister of Regional Economic Expansion (Mr. Marchand) was in Cabano which, two years ago, was promised that a cardboard industry would be established there. Both federal and provincial authorities had then suggested to the citizens of Cabano and its surroundings to undertake a subscription campaign in order to collect the necessary funds after which the federal and provincial governments would provide grants for building a plant in replacement of the Irving facilities.

Mr. Speaker, to this day the citizens of Cabano have saved up almost $700,000. It should be stressed that these people are workers, farmers, settlers, small merchants and a few professionals who have subscribed this amount to win over the participation of the governments through grants. Last Sunday, however, the Minister of Regional Economic Expansion speaking before 2,000 people, declared in substance the following: Gentlemen, as there is no available market for the cardboard you intend to produce, we are not interested in providing grants. After two years during which they have saved $700,000, people are disappointed to hear the government simply say: For the moment, we are not interested, we are going to proceed with our studies to see whether it is possible to export the production of the intended industry.

Mr. Speaker, there are too many products on the market and the official opposition blames the government for its failure to create new jobs to increase production. It is not production that is lacking in any field of economic activity, for we have plenty of everything. Let us take, for instance, farm machinery, of which you can see thousands of items of all kinds at the Massey-Ferguson Industries Limited. There are lots of them, and we go and subsidize the company in order for it to maintain employment, while those who need farm machinery would buy it if only they had the necessary purchasing power.

It is not production which is lacking, be it in the clothing industry, the food industry, or any other, but rather the purchasing power of consumers. Yet, instead of tackling that problemm, we keep talking about creating new jobs, or discussing a program of subsidies designed to create temporary jobs. But what happens afterwards? Unemployment again.

We spend $150 million on the Local Initiatives Program. It is like a drop in the ocean. This is why some grants are refused. I think that out of some 18,000 LIP projects, 5,700 have been approved by the government; about 12,000 have been turned down because the government had no money left. Thus, $150 million have been spent on the Local Initiatives Program for the period which will end on September 30 next. What will happen after that date? Unemployment. People will then be encouraged to apply at manpower centres, where they will be told: Come and be trained again. In fact, we spend our time training, retraining, and untraining people under the pretense of creating productive jobs. This is really mocking people to their faces. We have spent $150 million on the Local Initiatives Program. Yet, I know very well that in all constituencies some of the projects have been turned down.

Here is a case which I noted in my own constituency. The town of Noranda gets its water supply from a certain lake called Lake Dufault, in which the people who live in the northern part of the town dump their rubbish, polluting the waters of the lake which supplies both towns of Rouyn and Noranda. We asked for assistance under the Local Initiatives Program. Moreover, Quebec City as well as Ottawa wish to fight pollution. Now then, here is a case in which pollution might be fought and at the same time something lasting could be created, but we come up against a refusal. The government has no money for this project, while it approves some which are much less important. Anyway, $150 million were earmarked for the Local Initiative Program, and more than that has already been spent.

The retraining program costs $15 million; on-the-job training, $50 million; federal-provincial loans for job development program, $100 million; works which imply a large proportion of labour, $80 million; the agricultural exhibitions loan program, $10 million; accelerated housing assistance program, $113 million. They altogether amount to $578 million, which are used to train manpower, retrain workers and provide jobs which cannot be filled. But, the amounts engaged are nevertheless spent.

Mr. Speaker, it is sad to see to what extent we lack seriousness or ability.

The other day, I was talking of another case which occurred in my constituency, in Témiscamingue, where the Canadian International Paper was closing down, laying off 540 workers. The government cannot do anything about this. An office is opened in Témiscamingue once a week in order to invite those who were laid off to come and follow a retraining course, so that they may engage in a new job. But, there is no other industry in this area! And the Canadian International Paper has already closed down.

Mr. Speaker, subsidies are however granted to a plant at Port Cartier which will produce exactly the same thing that the Temiscaming plant was producing. The government will perhaps grant $3, $5, $8 million or more to create a new industry which will produce exactly what the

CIP company alone was producing at Temiscaming. Now a business is allowed to close on the ground that it will not be able to resume its operations before two or three years. The minister says: The market might be better then. Today there is no market, but the minister or the government is prepared to grant millions of dollars to build new industries.

Thus unemployment insurance benefits would be paid from the funds of the government which come from taxpayers; those funds would be used to pay unemployment insurance benefits to the citizens of those two towns. Such is the inconsistency or incompetence of a government or of ministers who do not go to the root of the problem.

I mention those two localities, but let us take the case of Domtar, in Trois-Rivières, where 800, 900 or perhaps even more workers were laid off because of poor market conditions.

This afternoon, my colleague for Bellechasse (Mr. Lambert) put a question to the Minister of Agriculture (Mr. Olson). There is a surplus of eggs in Canada. My colleague asked the minister why we import eggs from other countries. The minister replied that we do because eggs are less expensive elsewhere. My colleague figured out that imported eggs cost us $1.20 a dozen, while they only bring in 20 cents a dozen to the producers. The ministers lie to us shamelessly in every field of production.

In 1971, Canada produced some $90 billion in goods and services. That is not peanuts. Still, the total Canadian income amounted to $67 billion. Mr. Speaker, it is not necessary to be a wizard at figures to understand that $67 billion cannot buy a production of $90 billion. There is therefore $23 billion worth of production which we are unable to purchase, because of a lack of purchasing power. The people are without purchasing power.

We hear the Minister of Finance (Mr. Turner) tell us: "To give new impetus to the economy, we must spend more." The hon. member for Duvernay (Mr. Kierans) stated yesterday, I believe: "Canadians must spend more, if we want our economy to regain some strength and if we are to recover control of it instead of allowing it to be dominated by foreign interests".

Mr. Speaker, I think that we must set up a program which would enable the Canadian people to finance their own production and keep full control over their economy. However, we must take the necessary means. It is not by begging and pestering the United States for loans to develop our country or to create new industries that we will succeed, but by using our own resources. In order to produce in Canada we do not use American labour but Canadian labour and Canadian brains. This is what we use for our production. But, when comes the time to control the nation's credit, we are faced with inefficient people who say: We must take the international market into account. The needs of the Canadian people are never taken into account. This is why we always say: Let us use our financial institution called the Bank of Canada. One million or 578 million written with Canadian ink and a Canadian pen on the desk of Louis Rasminsky, Governor of the Bank of Canada, are figures based on our own wealth, on our own production, these figures are just as good as those we are asking for in New York, Chicago, Washington or San Francisco. What is the difference between credits of five, six or seven million issued in Canada, based on Canada's wealth or similar credits issued in the United States based on the same wealth, credits on which we have to pay interest? Why not use the services of the Bank of Canada where we could borrow at a rate of interest that would be no higher than the operating costs of the Bank? That is a solution. But no, the ministers—there is not even one in the House now—when we talk of these matters, say that they are most busy trying to find new jobs.

• (1600)

That is how serious they are. One minister is present. I apologize for my mistake. How many are they now? Thirty-six?

An hon. Member: Twenty-nine.

Mr. Caouette: Twenty-nine. That is too many given the results that we see. Three ministers would be enough.

Mr. Speaker, the same problem existed ten years ago, when the Progressive Conservatives were in power. They were doing what the Liberals are doing now. They went on their knees in pilgrimage to New York City, borrowing from the Americans, begging for permission to develop this country, Canada. However, the problem is still not one of production or creation of productive jobs; this is a matter of giving Canadians consumers a purchasing power enabling them to get available products. And when products are being sold, the industries will not need subsidies to maintain themselves because they will profitably sell their products and be able to administer themselves.

All government grants are now monopolized by the big industries, by corporations, as the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) said with reason a few moments ago. We voted against the government which put forward a bill to help industries. It consisted in establishing a program of $80 million to offset the American surtax which was abolished about two months after its implementation and the government went on allocating the remaining of these 80 million even after the surtax had been repealed. They continued to subsidize corporations and the most important which received the $80 million are subsidiaries of American corporations.

This does not mean that we should say to the Americans: Yankee, go home. No, Mr. Speaker, this is not what we want to say. We want to regain control over our economy instead of thinking only of creating productive employment. If we cannot sell out products we have to organize part of consumption. Let us organize Canadians to enable them to spend more, not to the benefit of finance companies but through credits which would be theirs.

This is why we say that the difference between the $90 billion worth of production and the $67 billion of revenues, i.e., $23 billion, should be created and distributed to the people—not to companies—who will go and buy companies which will compete to give us better services, and which will thus create jobs to sell their production. It would be a production ordered, organized and managed not by the government, but by consumers, who are masters in a country like ours.

Then, Mr. Speaker, not only would we have less disorder in this country, but we would find more co-operation and, above all, more understanding. We would have an efficient government instead of a noodle government which sets objectives for itself but never gets any results. Those noodles are not even good enough to make nice soup.

Mr. Speaker, those are the few remarks I wanted to make on the motion before the House. The Progressive Conservatives do not propose anything, they only blame the government for not doing what they themselves failed to do 10 years ago. Let us find an answer: instead of playing from red to blue and from blue to red, let us play "Social Credit", and things may then take a turn for the better.

[*English*]

Hon. Alastair Gillespie (Minister of State for Science and Technology): Mr. Speaker, I listened carefully this afternoon to the affable hon. member for Prince Edward-Hastings (Mr. Hees) and listened particularly to hear if he would speak to the motion his party has brought before the House. I was not surprised he did not choose to speak to the motion, as I suspect he realized that his party had made a ghastly mistake. The hon. member for Prince Edward-Hastings is a man who, if he has nothing else, has a well tuned political sense. Nor was I surprised that other opposition spokesmen chose to ignore the motion in their speeches. After all, they are opposition party spokesmen and it is not their function to draw attention to the progress of the country. I think the hon. member for Prince Edward-Hastings knew he would do this if he discussed the motion, and that is why he chose not to debate it. He sensed that the motion would focus attention on the considerable achievements we have witnessed in the country in the last few years.

I am not sure whether the hon. member reads newspapers. He may, and this may have had something to do with his reluctance to deal with the issue. For instance, I am looking at yesterday's Ottawa *Citizen*. There is a story entitled, "Production up—manufacturers go on a binge". Let me read one paragraph:

• (1610)

Manufacturers went on a sudden binge in April boosting output by 2.6 per cent, or an annual rate of increase of 30 per cent. At the same time, they received orders worth 7.3 per cent more than orders in March.

A similar surge in exports occurred in both April and May, up 7 per cent from March.

I am delighted to see that the hon. member for Prince Edward-Hastings has resumed his seat. Newspapers reports are replete with stories of increased production, expanded export shipments, higher sales of durable goods. I see a headline here "April Shipments of Paperboard up 19.3 per cent". Here is another. This is from the Montreal *Gazette*; I am quoting from the issue of June 13.

Canada experienced an export boom last month, with shipments to all countries rising 21.6 per cent to $1.89 billion from $1.56 billion in May last year.

They brought the cumulative total of exports for the first five months of this year to $7.78 billion, up 10.5 per cent from $7.05 billion a year ago.

There was a 21.5 per cent boost in shipments last month to the most important market, the U.S., rising to $1.29 billion from $1.06 billion in May, 1971.

Exports to the United Kingdom rose 25.9 per cent to $167.7 million last month from $133.2 million a year earlier. Japan was again Canada's third best customer last month, with shipments there rising to $107.5 million, up 59.5 per cent from $67.4 million in May, 1971.

I can give many examples of this kind of progress. I intend to give a few more in the course of my remarks, but first I should like to deal with some of the assertions made by the spokesman for the Conservative party. His analysis seemed to go along these lines: there is likely to be a serious problem with respect to slackness in consumer demand—aggregate purchasing power may not have been his phrase; I know it was the phrase used by the spokesman for the New Democratic Party, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas). Well, in my opinion one of the best indices of aggregate demand is retail sales. I have just seen the figures for April. I want to cite these figures and then ask hon. members whether they think there is any weakness in aggregate demand. Retail sales jumped 6.3 per cent on a seasonally adjusted basis in April, the largest monthly gain ever recorded; I repeat, the largest monthly gain ever recorded.

Some hon. Members: Hear, hear!

Mr. Gillespie: I ask the hon. member. Is that evidence of weakness of demand? The hon. member then went on to suggest that because he senses this weakness, we should lower taxes on manufacturers immediately as of July 1, without waiting for the end of the year. I have already cited some of the export figures and some figures with regard to the retail trade. Figures respecting sales of durable goods show similar increases and, as I say, I will put further figures on the record in due course.

Mr. Hees: May I ask the minister a question?

Mr. Gillespie: I think the hon. member wants some figures with respect to industrial output. I will put these on record in the course of my remarks.

Mr. Hees: What I did want to ask the minister was whether he would put on record the latest unemployment figures and then tell me whether he is satisfied with them.

Mr. Gillespie: The hon. member has had his opportunity to speak—

Mr. Hees: All the question requires is a yes or no answer.

Mr. Gillespie: Nobody in this House is satisfied with the unemployment figures.

Mr. Hees: Well, then, don't tell us everything is fine.

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: The minister has the floor. I invite hon. members to direct their remarks through the Chair.

Mr. Gillespie: The hon. member for Prince Edward-Hastings is an affable person. He is also a compulsive

debater; and he is also, I think a confused debater. I say this for a number of reasons. He seems to find difficulty coming to terms with the tax reduction afforded to the manufacturing industry. On one hand he suggests we advance it to July 1, in a few days time, because industry needs the stimulation at this time as a result of concern about consumer demand. Well, Mr. Speaker, I have shown how weak, false and transparent his position is in that respect.

He then went on to say he was not sure whether there should be any tax reduction accorded to the manufacturing industries. He thought we should in some way allocate the funds associated with this reduction to the manufacturers on the basis of the number of jobs created. I ask the hon. member whether he is not taking a leaf out of the NDP book and suggesting a massive exercise in government intervention in the course of which auditors would go in to check the number of persons employed by a company on one day, and the number employed on another day. Perhaps that is what he wants—a job creating bureaucracy.

Mr. Douglas: You could not get a bigger bureaucracy than the one you have already.

Mr. Hees: It would be very simple.

Mr. Gillespie: The motion reads:

> That the House regrets that expenditures for incentives programs have failed to stimulate production and trade in Canadian goods and services and to open increased opportunities for productive employment to Canadians.

I submit this motion is based on three false premises. The first is that incentive programs are expenditures which should be considered in the light of an instant response—that one should expect an immediate pay-off. Surely, on reflection, hon. members on the other side will realize that incentives are an investment in the future.

Mr. Hees: I have been waiting for four years and nothing has happened.

Mr. Gillespie: I will give you the figures. The hon. member for Prince Edward-Hastings had a lot to say about export figures. He seems to forget that when his party was in power between 1957 and 1962, we were running deficits on our trade accounts in the first four years; there was a small surplus in the last two. But in every year save one since the Liberals took over the surplus in the trade account has been greater than in the best year under the Conservatives.

Some hon. Members: Hear, hear!

Mr. Gillespie: In 1970, this country had a trade surplus of just under $3 billion, roughly 15 times as great as the best single year under the administration of which the hon. member for Prince Edward-Hastings was a member. He had the nerve, I thought, to suggest that what this government should do is to mount an export drive, and at a time when the figures show clearly beyond any doubt that this government and previous Liberal governments since he was minister of trade and commerce have had surpluses on trade accounts unparalleled in the history of this country. He took a short-sighted look at incentives, as if today's incentives are going to produce something big tomorrow. Everyone who knows what an incentive is and how it should operate knows that it takes time for incentives to work. It is a seed which is planted and then flowers. It is not improved by the use of a watering can in times of drought.

• (1620)

I was reminded of the story by Robert Townsend in a book which perhaps some hon. members have read called "Up the Organization!", in which he referred to the impatient younger executives with whom he had come in contact. He liked to describe their particular actions as rather like the actions of a man who pulled out the flowers to see how the roots were growing. In a major way I think that is the attitude that the Conservative party has taken to incentives. They are not prepared to see the incentives go to work as seed that is planted and then grows.

The second false premise, I submit, is that somehow or other incentive programs operate in a vacuum, that they are separate from all other government policies, that they are separate from tax policies or from in-plant training policies, that they are separate in some way from vocational training or from monetary policies. I think the opposition party has misjudged the nature of incentives and how they work alongside other policies. Some of our incentive policies are aimed at regional disparities—the question of location of employment. Some are concerned with modernization and the question of scale. Some are concerned with new technology and new products. Some are concerned with new markets. All of these incentive programs are aimed at sharing the risk with the manufacturer, in line with a national objective.

There are also incentives policies with respect to savings, and in this regard I should like to refer to some remarks made last week by the Minister of Finance (Mr. Turner) to the Investment Dealers Association at Winnipeg. He said:

> While we frequently hear voices complaining about an alleged lack of sufficient incentive for saving in this country, the fact is that the proportion of savings by Canadians is extraordinarily high. During the latter half of the 1960s, total savings in Canada averaged 24 per cent of national income, compared to 18 per cent in the United States and the United Kingdom during the same period. In 1971 alone, personal savings increased by more than 25 per cent and the assets of our major financial institutions rose by 13 per cent.

I mention that only because savings is one aspect of incentives. Others on the government side will deal with our incentive programs in the course of this debate.

There are three other matters I should like to touch on with respect to what I have described as the false premises in this particular motion, one that might best be described as being the wrong subject chosen for the wrong reasons at the wrong time. The motion refers to the need to stimulate production and trade as well as employment. First, let me deal with the premise that employment opportunities in Canada have been sluggish, which I think was the word one or two members opposite used. Surely by now hon. members opposite must know that this government has a record that is second to none in the world when it comes to job creation. More jobs have been created in Canada during the last three years, in relative terms,

than in any other industrialized nation. For example, Japan has a population of 100 million and is rated as one of the strongest industrial countries of the world, a country of enormous growth. During the four year period 1967-71 the increase in the Japanese labour force was 741,000. During the same period the increase in the Canadian work force—not labour force but work force—was 700,000, a shade under that of one of the most powerful industrial nations in the world.

As far as job creation is concerned, what has been the history in Europe? How many new jobs have been created by the United Kingdom in the last four years? The answer is that no new jobs have been created; there has been a net reduction of over 600,000. How many new jobs have been created in Germany during the last four years? The answer is no new jobs; in fact, just under 200,000 fewer jobs now exist. How many new jobs have been created in the last four years in Italy? The answer is 164,000, and Italy has a population a shade under three times that of this country. If hon. members have not totalled up the figures, the increase in the Canadian work force within the last four years has been greater than the combined increase in the labour forces of the Common Market countries, the United Kingdom and Sweden.

I think this is an important statistic in light of this resolution, which refers to opening "increased opportunities for productive employment to Canadians". I compliment the drafter of the resolution because it is a positive way of putting it, though I suspect the hon. member for Prince Edward-Hastings did not compliment his colleague. I can only assume that he chose to ignore the positive aspect of the resolution which emphasizes employment opportunities. As I have said, no industrialized country has a better record than this country regarding job creation.

Turning to the two other aspects of this resolution, may I deal with the question of production and trade, issues that were raised by the lead-off opposition spokesman. He dodged very quickly over the question of price performance. I think he would acknowledge that Canada's price performance is an important part of keeping Canadian goods competitive in world markets. After all, he should know; he was minister of trade and commerce at one time and I have already indicated that his record as minister does not compare with the record of my colleague today. One of the reasons it does not compare is, perhaps, that Canada's price performance during the last three years has been better than most, if not all, of our industrial competitors. The increase in prices in Canada last year was 2.9 per cent.

Let me give the House the history of the last three years. The increase in 1969 was 4.5 per cent, in 1970, 3.4 per cent and in 1971, 2.9 per cent, a very reassuring trend. In 1970, the increase in the United States was 5.9 per cent compared to our 3.4 per cent, and in the United States last year it was 4.3 per cent. The tussle with prices is not one that is ever concluded; it is a continuing one. There is no question that there are many in Canada, including the members of this government, who are concerned about keeping rising prices under control. The preliminary figures I have show that the Canadian performance compares with the best in the world. Every member on this side of the House would compare himself only with the best in the world.

• (1630)

Incidentally, I was interested in the fact that opposition speakers did not seem to want to deal with the Canadian performance in comparison with the performance of other countries. They did not seem to be ready to compare the success story of Canada with the performance of other countries, and perhaps for all too obvious reasons.

Let us deal with the output of goods and services in 1970. There was a general recognition of a slowdown in the international economic community during that period. Canada, being as highly dependent as it is on international trade and the economies of other countries, was not immune. For example in 1970 the increase in real gross national product, that is the over-all real domestic product, amounted to only 2.6 per cent, but that still compares favourably with an actual decline in the United States of around one-half of one per cent.

What about the temporary pause we noted in the first quarter of 1972? Let us not forget that this followed an exceptionally fast growth in 1971. In the most recent half year, the seasonally adjusted volume of industrial production was expanded at an annual rate of 7½ per cent. For manufacturing output alone, the rate of expansion was 6.7 per cent. There was an increase in the industrial production annual rate of 7½ per cent and a manufacturing output of 6.7 per cent. Let me draw the attention of the hon. member for Prince Edward-Hastings, who raised this question, to the fact that both these output rates, manufacturing and industrial production, are well above the average for either the 1960's or the most recent five-year period. Again, it seems to me that the hon. member has chosen to bury himself in his papers rather than acknowledge that important fact.

I have dealt with industrial production, manufacturing output, employment and prices. I could go on at some length in respect of how our index of the volume of industrial production compares with that of other countries. In the United States, for instance, the increase was only 3.7 per cent. In Canada in the first four months of this year it was 6.5 per cent, well above the United States performance. Similar comparisons for the recent 12-month period show an increase of 4.3 per cent for Japan, 1.2 per cent for Germany, so by almost any yardstick the performance of the Canadian economy has to be rated number one, the best in the world.

Let me briefly touch on trade figures. In 1971, we had a surplus of approximately $2.9 billion. We had a trade surplus in the most recent months which was still running at a seasonally adjusted annual rate of $1.4 billion. Now, what about this matter of the end product which the hon. member for Prince Edward-Hastings raises from time to time? There has been a suggestion that our manufactured content is not as high as it should be. Let me give these figures. Apart from undeniable success in the promotion of external trade, Canada has also had considerable success in upgrading the proportion of its goods being sold in finished form. The proportion of end products in Canada's total exports has gone up from 12.3 per cent in 1961 to 38.8 per cent a decade later. Thus far in 1972 the propor-

tion has edged up further to 41.9 per cent of total domestic exports for January-April.

In summing up, it seems to me that not only was this resolution chosen perhaps inadvertently, or certainly mistakenly, it was chosen in respect of the wrong subject, for the wrong reasons and at the wrong time. It has revealed little understanding of the role of incentives in our manufacturing, commercial and industrial economy; and an unbelievable ignorance in respect of the health of our economy.

Mr. James A. McGrath (St. John's East): Mr. Speaker, this is the fourth or fifth of the six consecutive opposition days in a row designated by the government. This is an important motion before the House today. Unfortunately, because of the rather peculiar rules under which we now operate, this motion will not be resolved but will be left up in the air.

I listened to the Minister of State for Science and Technology (Mr. Gillespie) reply on behalf of the government, and I wondered as I listened to him where his colleagues were; the Minister of Industry, Trade and Commerce (Mr. Pepin), who has a great deal of responsibility and certainly the minister to whom this motion is most applicable, and the Minister of Regional Economic Expansion (Mr. Marchand), who has a great deal of responsibility in respect of the whole area of incentives. I am sure both these hon. ministers try to do a good job and probably have very good excuses for not being here. I believe debates of this nature which, after all, are intended to replace the traditional supply motions the government had to move from time to time to be in a position to pay its bills, are important. These motions allow us to place grievances, for that is what they are, before the ministers, but they are not in their places to hear the suggestions made by various members who participate. For that reason, I regret the absence of those two ministers today, without meaning to take away anything from the speech made by the Minister of State for Science and Technology.

That minister, in his speech, forgot to mention the fact that we were talking primarily about incentives. When he did touch upon that subject he seemed to be under the illusion that incentives were something new, something brought about by this government in the last budget. The fact is that incentives have been around for a long time. This government has probably used incentives of one kind or another in every single budget it has introduced in the last four years. Likewise its predecessor, the Pearson government, used various kinds of incentives. It is in the light of the experience of these past 10 years that we must examine the results of the various incentive programs of the government. I should like to look particularly at the incentives under the Regional Development Incentives Act as that is the main incentive program of the government.

• (1640)

A few days ago the Minister of Regional Economic Expansion (Mr. Marchand) rose in this House to announce that he was extending the life of the designated areas in Canada by another 12 months and in some cases by another 18 months. He made no attempt whatsoever to deal with the criticism levelled at the program, to respond to the critics of his department or indeed to deal constructively with any of the arguments presented. Instead, he took the easy way out. He announced that the life of all designated areas in the country would be extended for another 12 months. We have been saying repeatedly, and we believe it, that there are too many designated areas in this country. We believe the incentives under the Regional Development Incentives Act are too generally applied and, as a consequence, are in fact non-productive in terms of creating jobs, and particularly in terms of ending regional disparity in this country which they were supposedly designed to do.

The Minister of State for Science and Technology talked about the record number of jobs which have been created by his government. He forgot to mention the fact that this was in response to record unemployment created by the same government. We have record-high unemployment in this country. The fact is that the government's incentives program, and more particularly the government's regional economic development program, have failed to respond to the situation. We have, for example, the May figures which show that national unemployment is in excess of 6 per cent. In my own province, the unemployment figure is in excess of 12 per cent. One can examine any designated area across the country in which this incentive program was supposed to be operative and find that it has had appreciably little effect on the unemployment in the region.

An economist who appeared before the Standing Committee on Regional Development, Dr. David Springate, in his evidence as a consequence of a doctoral thesis said that a large number of firms which received grants under the Regional Development Incentives Act were not influenced by these grants in respect of where they located. That paradox, so far as I am concerned, is a complete negation of what this program was intended to do. It was intended not to cope with national unemployment, because after all that can be adequately dealt with only by the fiscal program of the government, but was intended to end regional disparity in this country which is probably a greater threat to the continuing existence of Confederation. It has failed to do that because the government has failed to apply incentives in a way which would influence industries to establish where the need is greatest, where unemployment is greatest and where regional disparity is probably more apparent. That evidence presented to the committee by Dr. Springate has been largely ignored by the government. Instead, the government continues its present program, in spite of criticism from every sector of the economy, from agencies charged by statute with providing the minister with advice—I am thinking of the Atlantic Development Council and the Canadian Council on Rural Development—and from other agencies such as the Atlantic Provinces Economic Council and the Canadian Chamber of Commerce.

In spite of all the criticism, the minister insists on continuing with this program which has not been effective in meeting the needs of the nation because the regional disparities in the less fortunate areas of this country are being ignored. The theory underlying this program has been described, in my opinion inadequately, as the manure theory. This theory of the government was touched upon by the Minister of State for Science and

Technology. He referred to the fact that the opposition is not prepared to allow these incentives, which represent seeds, to grow. I suggest to the minister that probably the basic weakness of the program and the manure theory, as presented by the minister, is that the designated areas in this country stretch from one end of the country to the other, in all ten provinces. The incentives available under the Regional Development Incentives Act are spread so thinly and so broadly that nothing happens.

The government believes that by spreading a little money here and there something will grow every year. That is the manure theory. It may be that a new industry is established here and a new industry is established there. That may very well be one result, but perhaps another result of the present program is the transferring of unemployment from one end of the country to another. That has happened in many cases. I can cite the example of a company called Acme Seeley. On May 24, during a meeting of the Committee on Regional Development, the hon. member for Lanark-Renfrew-Carleton (Mr. McBride) tried to knock down the argument of Dr. Springate. He waited until this very important witness was not present in the room, then recited a story which he claimed would show the naïveté of Dr. Springate's theory. I should like to read exactly what the hon. member said. This is taken from the Minutes of Proceedings and Evidence of the Committee on Regional Development, issue No. 12, for May 24, 1972, at page 12:46:

> On May 12 within my constituency a company had an opening, the name of the company is Acme Seeley. It received more than $800,000 from DREE. The president of that company got up at the opening and said he had come to Renfew because it was a beautiful town and the people were nice people and other very pleasant things. He made no reference to the federal government. He was followed by the mayor of the town, Mayor Carswell. He praised the community; he praised the fine people in the new company and the fact that his town officials had brought in this new company.
>
> —None of them in my opinion were forthright enough to state the obvious, namely that the difference in that community was not the mayor nor the industrial commissioner nor anything else; it was that the federal government had brought in grants.

So, let us examine the facts. This story, if it shows anything, shows the naïveté not of the witness before the committee but of the hon. member for Lanark-Renfrew-Carleton because the facts are as follows: In March, 1971, the Department of Regional Economic expansion announced an offer of $862,850 to Acme Seeley if it would establish a $2,255,000 plant in Renfrew to create 137 new jobs. On May 12, we have the plant opening that the member described. On May 30, we have an announcement in the *Globe and Mail* business section that Acme Seeley had moved its head office and manufacturing to Renfrew, consolidating operations formerly carried on at plants in Hamilton and Toronto. Checking the Scotts Industrial Directory for 1970-71, we find that these two plants employed 136 people. What then has been the result of the $862,850 DREE incentive grant of which the member was so proud? It has resulted in the loss of jobs for 136 people in Hamilton and Toronto. It has created one net new job in the hon. member's constituency of Renfrew. We can only come to the conclusion that the cost of that one job was $860,000. That is just one instance.

There are many cases in which grants are made to induce industries to locate in various parts of the country at the expense of established industries in other parts of the country. In other words in many instances the result of the program has been the transference of unemployment from one end of the country to the other within designated areas. There is a case currently before the department concerning a grant for a sugar refinery to establish in Cornwall, Ontario. It is a very substantial grant. There are six existing sugar refineries in Canada. Five of them are located in designated regions, four in the city of Montreal and one in the city of Saint John, New Brunswick. Nobody would deny the need which exists in the city of Cornwall which has been struck by industrial shutdowns, plant pullouts and consequent unemployment which is probably the highest in the country. Nobody will deny the need which exists in Cornwall. It is great.

• (1650)

What I am saying, and I have not been satisfied with the answers to questions directed to the minister in committee, is that the opening of this sugar refinery in Cornwall as a consequence of a very substantial grant under the Regional Development Incentives Act, could have adverse effects on the four refineries in Montreal or the refinery in Saint John, New Brunswick. It could very well result in these plants having to cut back operations and laying off men. The net result may be we will be transferring unemployment from Cornwall to Montreal or Saint John, New Brunswick.

There are other examples too numerous to mention and there are probably many which will never come to light. They emphasize what I consider to be one of the basic weaknesses of the program. The concept is good, and it is one which is supported by every member in the House. When the legislation was brought in setting up the Department of Regional Economic Expansion, it passed the House unanimously. The Regional Development Incentives Act also received unanimous support in the House. Under this act, the minister was given wide discretionary powers. What we are saying is that the Minister of Regional Economic Expansion has failed to use these wide discretionary powers wisely and well. An examination of the record will lead any objective observer to come to that conclusion. All that the minister has done in extending the life of the designated areas under the Regional Development Incentives Act for another 12 or 18 months has been to carry on with this concept which statistics prove has been unsuccessful in meeting the problem it was supposed to meet, namely regional disparity and the unemployment that is consequent upon that situation.

In my own province of Newfoundland, the unemployment situation continues to be critical. It continues to be the highest of any province in the country. The May figures show that the province of Newfoundland had a rate of unemployment in excess of 12 per cent. In other words, over 20,000 members of the work force in Newfoundland were out of work. The province of Newfoundland has received the least benefits under the Regional Development Incentives Act or any other incentive program under the Department of Industry, Trade and Commerce or the Department of Finance for accelerated depreciation and capital write off.

Employment Incentive Programs

The province of Newfoundland failed to benefit under the Regional Development Incentives Act to such an extent that the Atlantic Development Council felt obliged to commission a study, which they did. This study was released last week. It highlights what we have been saying for a long time, namely that the government's blanket approach, shutdown approach and manure approach to the problem of regional disparity in this country, and the attempt to cope with that problem by thinly spreading incentives all across the country have failed. The study commissioned by ADC has recommended what we have been saying for some time, namely that there are areas in this country which should receive special consideration.

This study points out that Newfoundland could become a regional development laboratory in which the government could try out new innovations and programs. Obviously, the present programs are not working. The study highlights the serious problems which make it impossible for the present policy to work effectively. It highlights the transportation problems which we have in Newfoundland as a consequence of our isolation. These problems are not peculiar to Newfoundland. The four Atlantic provinces have transportation problems. We have these problems and the government fails to respond with a proper regional transportation policy. Instead of that, we have continuous increases in freight rates.

Canadian National Railways have been allowed seven or eight increases in freight rates since the freeze on freight rates under the Maritime Freight Rates Act was lifted two or three years ago. Transportation is obviously a problem. In this regard, I hope that my colleague from Newfoundland, the Minister of Transport (Mr. Jamieson), will read this report. I think it is a good report in what it says about transportation and the effect that transportation has on our position in confederation, as well as the lagging behind of our economy compared with the rest of the country. I hope the minister will be sufficiently impressed by this report to establish a task force to examine the effect that present transportation policies have on regional development programs and all of the other incentive programs the government may devise. The fact is we are just not in it.

The study also recommends that the government give consideration to what I describe as regional tariffs. That is not to suggest that we should have free trade areas all across this country. For example, I consider the auto pact a regional tariff because it only benefits Ontario. It is an agreement that affects Ontario and the Great Lake states. We could, for example, negotiate regional tariff programs between the Atlantic provinces and the New England states. We could have New Brunswick potatoes go into the state of Maine or New England in exchange for something in the state of Maine or New England. We could have Newfoundland processed fish going into the New England market and so on. These are examples of what I consider to be regional tariffs.

Unfortunately my time has expired. I hope that on another occasion I can continue this argument.

Some hon. Members: Hear, hear!

[Mr. McGrath.]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Laniel): Order. It is my duty pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas)—Energy—Possible pipeline through eastern Arctic—Assurance of majority Canadian ownership—Hypothecation of gas to United States; the hon. member for Frontenac-Lennox and Addington (Mr. Alkenbrack)—Transport—Responsibility of railways to people owning land along lines on which service abandoned; the hon. member for Assiniboia (Mr. Knight)—Veterans Affairs—Inquiry as to amendment of Veterans Land Act.

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED FAILURE OF GOVERNMENT'S INCENTIVE PROGRAMS TO STIMULATE TRADE AND CREATE EMPLOYMENT

The House resumed consideration of the motion of Mr. Hees (for Mr. Baldwin):

This House regrets that the government's expenditures for incentive programs have failed to stimulate production and trade in Canadian goods and services and to open increased opportunities for productive employment to Canadians.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. There have been some discussions and I think you will find there will be agreement that from this point on speeches be limited to 15 minutes.

The Acting Speaker (Mr. Laniel): Hon. members have heard the proposal of the hon. member for Winnipeg North Centre (Mr. Knowles). Is this agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): It is so ordered.

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I enter the debate today somewhat amazed at the failure of opposition members to deal with the motion. I compliment the hon. member for St. John's East (Mr. McGrath) who actually spoke to the motion before us today. I want to tell him that later this day the Parliamentary Secretary to the Minister of Regional Economic Expansion (Mr. Roberts) will be dealing with many of the items he has raised.

The hon. member for St. John's East referred to the fact that some of the grant programs are not sufficiently extensive and do not benefit Newfoundland as much as other parts of the country. We regret that industry in Newfoundland has not developed in the past 25 years since that province came into confederation. However, I want to remind the hon. member that the fact that the

economy of Newfoundland is behind that of the rest of the country is compensated to some extent by the fact that Newfoundland gets the highest per capita grants under the equalization grants formula. The government is not, therefore, insensitive to the needs of Newfoundland and has made special assistance available to that province.

• (1700)

In passing I also want to mention to the hon. member that the Minister of Industry, Trade and Commerce (Mr. Pepin) was unable to be present in the House for this debate today for the very good reason that he is attending the Standing Committee on Finance, Trade and Economic Affairs which is dealing with the bill on foreign takeovers.

I want to say something too, about the points raised by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas). He dealt, as usual, with the subject of unemployment. The Minister of State for Science and Technology (Mr. Gillespie) has fully replied to his comments on unemployment, and has reminded the House that Canada is indeed a very fortunate country in that we have had the highest rate of employment growth of any of the western industrial nations. Our employment growth rate is about double that of the United States. It has not been a failure of government policies on incentive programs that has resulted in high unemployment in Canada. The hon. member knows, as well as everyone else in this House, that unemployment is caused by the fact that we have a very high rate of input into the work force. It is not a failure of the incentives programs. If it is a failure of anything, perhaps it is a failure of our birth control programs 20 years ago.

I want to comment on the hon. member's remarks concerning Dominion Aircraft of Vancouver. He said he was not familiar with the technical aspects of this application. I want to assure him that he is right, that he is not familiar with the technical aspects but that did not discourage him from commenting very fully on the application. I want to tell him that his facts are wrong. The government does not discriminate against the province of British Columbia on the applications of aircraft companies for assistance. I want to remind him of the Trident aircraft that is in production in Vancouver at the present time as a result of incentives offered by the government to that company, and as a result of a good deal of special assistance given to that company in order that it might make an effective application under the PAIT program. So, Mr. Speaker, it is not a matter of where a company is located in Canada, and I resent the fact that a British Columbian would stoop to that kind of thing in this House. I resent that he would use innuendo of that kind to suggest that a company from some other part of Canada would get assistance rather than a company from British Columbia.

The hon. member went on to say that small businesses are not getting their fair share of the incentives programs. I have some figures in front of me and I want to refute that statement. Here are the figures under the PAIT program. This is for companies with volumes of sales under half a million dollars. Under the PAIT program, 19 per cent of the grants have gone to companies with sales volumes under half a million dollars. These are small companies. Under the PEP program, 7 per cent of the grants have gone to companies with sales under the half a million dollar volume. Under the IDAP program, 41 per cent of the grants have gone to companies with volumes of sales under half a million dollars, and under the GAAP program, 19 per cent of the grants have gone to companies in that range. These are respectable figures which thoroughly refute the point which the hon. member for Nanaimo-Cowichan-The Islands attempted to make. It is not a point that he can make. It is not substantiated in fact.

I want to comment on another point that the hon. member made, and which he reported to the House with his usual lack of accuracy, that small businesses in Canada pay the full tax and do not get any special benefits from the government. I want to remind him of the special tax incentives that are available under the budget passed a few months ago, which provide that small companies pay a 25 per cent income tax up to the point where they accumulate profits on their books of $400,000. This special incentive was put in for the benefit of small companies and small companies only, to allow them the opportunity of accumulating profits within their businesses, in order that those businesses could expand and become big businesses.

I also want to comment on the points raised by the leader of the Social Credit party. He spoke about a special program that the government used last year to combat the U.S. surtax. He remarked that the program had been in effect for 1½ months. I want to tell him that that is not accurate. The surtax program in the United States was in effect from August 16 last year to December 19 last year. The hon. member went on to say that the government is still making payments under this program. I want to tell him that that also is not true. The payments were finished as of April this year, and the reason they were continued to that point was that all payments were made after the end of the benefit period. It was necessary to determine whether a company had lived up to its commitments on employment before payments could be made.

In passing, I would like to tell the hon. member about eggs, and to correct the record. He made some comment about eggs being imported into Canada at over $1 a dozen. This was for good reason, Mr. Speaker. The reason they are imported at a price of over $1 a dozen, and some eggs are imported at $5 a dozen, is that these are eggs that are used for breeding purposes. They are not available in Canada, and they are imported to improve breeding stocks for Canadian farmers.

Now, I wish to deal with some of the incentives programs offered by the Department of Industry, Trade and Commerce to show the effect they have had on the economy of Canada, the employment they produced, and the increase in business that we have been able to determine has resulted from these very effective programs. The mandate given to the Department of Industry, Trade and Commerce has been to promote the establishment, growth and efficiency of manufacturing and processing industries in Canada, to contribute to sound development and productivity generally, and to foster the expansion of Canadian trade. This mandate recognizes that efficient, productive and economically viable industry is the cornerstone of secure long-term employment.

Employment Incentive Programs

The incentives and assistance programs of the department are designed to contribute to the creation and support of competitive industry by stimulating companies to develop technologically advanced products that, because of their unique properties, will hopefully find ready markets at home and abroad. These are the PAIT program, the DIP program, IRDIA program, the IDA program and the PEP program. We have come up with two new ones recently, one called CASE, which was released within the last couple of months. It is a program designed to provide managerial experience and assistance to managers of small businesses who are in need of such assistance. We also have a new management training program that will assist societies involved in management training programs to update their programs and bring along a better class of management personnel in Canada.

Then, we have the EDC, which is designed to encourage companies to get into the export field and provide them with the marketing assistance and financial guarantees that they need in that field. We also have the machinery program called MACH which permits machinery users to acquire capital equipment at the lowest possible cost. It should be noted that these are primarily related to making firms more innovative. Employment is a subsidiary benefit in the programs that I have mentioned. I am now going to speak of some other programs that are designed to improve employment in Canada, programs like GAAP, the automotive assistance program and the shipbuilding assistance program, STAP, that has been so successful. These are all employment promotion programs. The DIP program, defence industry section, has been remarkably successful and produced a total of $6.3 billion in sales which is an estimated sales to government investment ratio of 30 to one.

• (1710)

I should like to speak about the PAIT program because this is what the motion deals with when it indicates that the government programs have been ineffective. The PAIT program is younger but indications are that it will be as successful as DIP. So far, 180 projects involving a PAIT contribution of $15.2 million have been completed and it is anticipated that sales to the end of 1976 will be $475 million. That is a sales to government investment ratio of 31 to one. By 1976, that program is expected to produce directly 5,000 jobs.

Let me take another special example of this program. Lockheed Petroleum Services is carrying out a PAIT funded program. The company has developed and is now testing a system whereby oil production workers can toil in their shirt sleeves at wellhead on the ocean floor. This should interest hon. members from the Maritimes who are trying to get into the oil business. If this program is successful it should be a major advance in technology in a $7 billion market. This would not have come about without the PAIT program.

Another PAIT program gave support of $50,000 to Procor Limited to develop a new bulk-carrying railway car for which the company has received a $3 million leasing contract. Procor leased 100 of these units to the CNR and 25 to the British Columbia Railway over a 20 year period.

[Mr. Howard (Okanagan Boundary).]

I could go on with numerous examples—IRDIA and IDAP for instance, all programs that have been successful in promoting jobs in a commercial activity in Canada. I am amazed that members of the opposition would promote a resolution of this kind which to me sounds like Don Quixote riding into the windmill—

Mr. Hees: Just remember 6.2 per cent.

Mr. Howard (Okanagan Boundary): Mr. Speaker, when the hon. member was absent from the House, the Minister of Science and Technology (Mr. Gillespie) and other members referred to the fact that Canada has the largest rate of new employment in the western world—of any nation in the world.

Mr. Hees: It is a very simple figure to keep in your mind.

The Acting Speaker (Mr. Boulanger): Order, please. The time of the hon. member has expired. The hon. member for Kent-Essex.

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, we on this side of the House become increasingly tired of listening to the speeches of members of the government trying to defend their record. From time to time we try to bring to the attention of those hon. gentlemen some of the problems facing this country, but when they take part in the debate the sum total of their rebuttal is that Canadians have never had it so good.

Mr. Hees: That is what C. D. Howe used to say before 1957.

Mr. Danforth: The hon. member for Okanagan Boundary (Mr. Howard) expressed shock and anguish that we on this side of the House would dare to think that perhaps some areas of this country were getting more incentives, more money, more help than others. Mr. Speaker, how ridiculous can he be?

I am only going to quote two or three figures to show exactly what is happening. I have before me the records of his own department and they show that from its inception to December 31, 1971, of the offers of help extended by this government under regional development initiatives and special area legislation, 1,088 were accepted. The province of Quebec received 55 per cent of these offers. In other words, in the province of Quebec 557 offers were accepted and grants given while in Ontario, the next largest province, the number was 76. Let the hon. parliamentary secretary show his anguish now.

In the last four years this program of incentives has cost the Canadian people in excess of $2 billion. Taken with special tax concessions, and accelerated write-offs, the amount given out to stir the economy and provide jobs is astronomical.

Mr. Howard (Okanagan Boundary): Would the hon. member permit a question?

Mr. Danforth: When I have finished my speech. Mr. Speaker, they boast of their record. The minister who spoke earlier representing the government mentioned the 700,000 jobs that had been created in this country and

compared that to the poor records of Germany, Italy and Great Britain.

Mr. Howard (Okanagan Boundary): What about Japan?

Mr. Danforth: I will include Japan, but that is not comparing the same thing. In Japan, they do not grant money and incentives for people to count canaries crossing a road or to photograph the cooking of spaghetti in colour. In that country, jobs are counted on the basis of productivity and this is where the difference lies. If we had a comparison of job to job and productivity to productivity, this would not reflect credit on the government.

One of the reasons we are in trouble in this country as far as this program of incentives is concerned is that government departments seem to be working at cross purposes. The hon. member for St. John's East (Mr. McGrath) brought up the matter of sugar refineries. We have the Department of Revenue criticizing the sugar refineries because they are a cartel and may be fixing prices. Then, we have the Department of Industry, Trade and Commerce chastising the sugar companies because they are only running from 62 per cent to 68 per cent capacity. There is a third policy under which the Department of Regional Economic Expansion is granting thousands of dollars for the promotion of new sugar refining capacity in this country. There are three different policies coming from three different departments, so naturally there is uneasiness and confusion.

Mr. Speaker, under the coherent and complete industrial policy suggested by my leader we could make some progress. We are not making progress now because this government is not consistent. Imports of food into this country are growing. Agriculture is a large industry which employs a lot of people, but under the policy of this government we have imports from offshore and labour from offshore and large expenditures of Canadian money are spent in this manner. The policies do not help the industry of agriculture to compete. Indeed, the policy of this government is one of retreat. They say "If we cannot compete let us move the farmers off the farms". They say, "Let us cut down the agricultural industry; let us withdraw support. Let us retreat until the agricultural industry can live with all this importation."

• (1720)

The same may be said of the textile industries. The government thinks it provides incentives to the textile industry when it says, "You cannot compete with the producers of other nations; we will determine what textiles you should produce; and whether your factories may expand and employ more people. Any difficulties with tariffs you may bring to us, and we will determine if you are to be allowed to make a certain product." That is the type of incentive program this government has embarked upon. On programs like that, Canadian taxpayers spend millions of dollars. Actually, we spend $2 billion on incentives, a great deal of money. Mr. Speaker, nobody can imagine $1 billion. I cannot imagine $1 billion. I do not know if you would need a box car or a house to store $1 billion in dollar bills. I know this, however: If you put a person of 18 to work counting $1 billion, and he counted, say, one dollar bills at the rate of 100 per hour, he could retire at 65 without having counted half that money. That is how much $1 billion is. In this country, we have spent $2 billion on incentives. What did we get for our money except the highest unemployment Canada has ever seen. That is what we got.

Some hon. Members: Hear, hear!

Mr. Danforth: Mr. Speaker, we have spent $2 billion, or $100 for every man, woman and child in Canada. That is what this country invested in this government's program, and it is not working. The government has criticized us for bringing forward this motion and for being critical of the incentive program.

Mr. Gillespie: Can the hon. member name one country that has done better than Canada?

Mr. Danforth: The minister asks me to name one country that has done better. If we were as interested in Canadians as we are, and as interested in Canada's future, we should all be better off. Mr. Speaker, I am interested in Canadian jobs, not Japanese jobs, not Italian jobs, not British jobs, not German jobs; I am interested in Canadian jobs, as the government ought to be.

Some hon. Members: Hear, hear!

Mr. Faulkner: This is the House of Commons, not a campaign platform.

Mr. Danforth: We are buying catastrophe with the money spent. We are telling industries to go where they would not normally establish themselves, because economic conditions are wrong. And what will happen, Mr. Speaker?

Mr. Faulkner: I doubt if the hon. member can answer that.

Mr. Danforth: Once we stop giving grants to induce factories and industries to move to submarginal areas, and once economic conditions return to normal, those factories and industries will not stay, because economic conditions will be against them. Every businessman in Canada knows this. I cannot understand why this fact has escaped the government.

My colleague showed that we are not creating new jobs, merely transferring jobs. We increase employment in one region and decrease it in another region, proof of which is this: Our total unemployment is not falling. I suspect we are not being given the true unemployment picture in this country, and this bothers me.

Mr. McCutcheon: Aha! Now, we come to the nub.

Mr. Danforth: The government talks about a 6 per cent unemployment rate. That figure represents only those who are drawing unemployment insurance. Does it include those who are being retrained? I believe 90,000 people are undergoing retraining. Does it include students who are looking for jobs, who have never worked and who, therefore, are not registered as unemployed? Although the government talks about 500,000 or 600,000 people being unemployed, I have as much right as hon. members opposite to suspect that one million Canadians

today are unemployed. That figure, I suspect, is closer to the truth than the 600,000 figure.

This government embarked on a policy that no other Canadian government has ever embarked upon. It has used taxpayer money to buy people off the unemployment rolls. That is what it has done—it has bought people off the unemployment rolls. You can say to the government you are mobile and willing to move from A to B, and you will be eligible for an incentive grant because the government wants to take you off the unemployment rolls. It does not matter if the project is productive, if it will add to the gross national product. The government is interested in one thing only, its public record just before an election.

Some hon. Members: Hear, hear!

Mr. Danforth: The people of Canada know this. That is why we are debating the matter. Certainly, the opposition is not always right; but it is not always wrong, either.

Some hon. Members: Hear, hear!

Mr. Danforth: We resent the attitude of this arrogant government which says that everything it does is right and not open to challenge. It is because of the government's attitude that we are in our present trouble. It will not accept the simple truth that it may be wrong and that not all its policies are correct.

Government members say the people of Canada never had it so good. I suggest, instead, that never before have they been so uneasy and unsure of their future. The minister said that the people in Canada are spending more money than ever on consumer goods. We know why. In view of the government's tax policies, it does not pay to save. The more you save, the more the government will take of your savings. It is small wonder the people are saying, "We may as well live today, because we will be persecuted tomorrow."

Mr. Hugh James Faulkner (Parliamentary Secretary to Secretary of State): Mr. Speaker, the hon. member's contribution was a remarkable contribution, although I am not sure to what. Certainly, it was indicative of the style we may expect the hon. member to use time after time in his campaign; however, I remind him that this is the House of Commons and we are debating a specific motion. Perhaps he followed the questionable example shown by the hon. member for Prince Edward-Hastings (Mr. Hees) who showed, I suppose, some sort of political acumen in avoiding the whole question.

The motion is specific. It says that the government's incentive programs have failed.

Mr. Danforth: They have.

Mr. Hees: Hear, hear!

Mr. Faulkner: That, of course, is the characteristic position of the opposition. Its record is one of complaints and criticisms, indicting the government, without respite, from the very beginning for everything it has done. I suggest to the opposition that, for the sake of its own credibility, it might say once in four years that the government may have done something right.

[Mr. Danforth.]

The opposition again today brought forward one of those negative indictments of the government and government programs. I was interested to note how carefully hon. members opposite avoided dealing with incentive programs, the subject we are debating. I happen to represent an industrial constituency. A number of major plants are to be found in Peterborough, including those owned and run by Canadian General Electric, Outboard Marine and De Laval, Fisher Gauge and many others. I have argued strenuously for more incentive type programs. I have argued that way since first arriving here in 1965 and still remember the discussions that took place in committee at that time. We said the government should support the secondary manufacturing sector. That is what the government has done, and done reasonably effectively. No one on this side of the House, as the hon. member for Kent-Essex (Mr. Danforth) tried to intimate, says that every one of these programs is perfect or could not be improved. I repeat, no one on this side says that; so, let us dismiss that nonsense and save it for the hustings and campaign platforms because, certainly, it is nonsense. There is no place for such nonsense in the House of Commons.

Some hon. Members: Hear, hear!

Mr. Danforth: The hon. member did not listen to the minister.

Mr. Faulkner: During the past four years this government, with incentive programs, has tried to help the secondary manufacturing sector of the economy become more efficient and compete more effectively in order that it may make inroads in export markets and provide the level of employment that we want for Canadians. If the opposition is arguing that these programs have failed, it is incumbent upon them to show where they have failed. Which programs are they talking about? Which programs did the hon. member who moved this motion mention? Not one. It was one of those airy, vague, fuzzy, confused speeches intended for the hustings.

• (1730)

What does the opposition think about some of these programs? What, for instance, does it think about the Adjustment Assistance Program? Is this a program we should scrap, or should it be revised? And if so, in what way? What about the BEAM program? I can remember when this was introduced by the President of the Treasury Board (Mr. Drury). It was applauded by the opposition. There was no mention of that this afternoon, no word about any way in which it might be improved.

What about the program providing for the remission of duty on new machinery coming into the country to support Canadian manufacturers? Is this a program which should be scrapped, or should it be revised? Not a word, not a suggestion, and no advice from the opposition. What do they think about programs to increase productivity? That is an incentive program, a program developed by the Department of Industry, Trade and Commerce. Is that a program which should be scrapped or changed? Again, not a word.

It does seem to me as one member who represents an important industrial sector of the economy, as a member

who has consistently advocated an enlarged government role in a support position and as one who has consistently declared himself in favour of programs such as PAIT and IRDIA, that this is an excellent use of tax dollars. I would put this to a vote in the city of Peterborough at any time. I could put it to a vote of members of local 524 of the UE.

I could put the question to the steel workers: Do you believe the PAIT or IRDIA should be abolished? Not one of them would agree with such a proposition. They know they are able to place in foreign markets such as Brazil and Botswana the products they are producing because the government has come into these schemes. I would say to the ministers concerned: Keep it up. That is what the people of Peterborough want. They are not concerned with all this nonsense we have heard today from the other side of the House.

I wish to spend a few moments considering one or two areas of effort which particularly concern me. The first is the work of the Export Development Corporation. This may not be described as an incentive program but it is certainly a support program. In 1971, Canadian General Electric—I am thinking particularly of the Peterborough Branch—was financed to the extent of $3.5 million by the agency.

Let us look at the record of the EDC. Exports insured in 1971 amounted to about $392 million in value. These are operations under section 24 of the act. Under section 27, exports insured amounted to a value of $89 million. Speaking from the base I represent, one of the things which has plagued us continually is the problem of concessional financing. The government has gone a long way to meet this difficulty under section 79. In area or export financing, the value of contracts signed amounted to $240 million. Under section 31, the value of contracts signed was $100 million.

At the present time Canadian General Electric Company is seeking to make major inroads into the export market, particularly in the heavy electrical field, and I think it can be said that the Department of Industry, Trade and Commerce, and the Export Development Corporation in particular, have played an important support role in this effort. Some of these business propositions involve very difficult markets—Roumania, Israel, Poland and New Zealand, for example—and the arrangements which can be made in respect of the financing are often critical in ensuring success.

We are very optimistic about the possibilities of the deal now contemplated with Roumania. The role the corporation and the department are playing has become critical to the success of these ventures. I would therefore have expected to hear more from the opposition with regard to the operations of the Export Development Corporation as one agency with which the government has been associated.

I wish to consider briefly, now, the role played by PAIT. The Parliamentary Secretary to the Minister of Industry, Trade and Commerce (Mr. Howard) has touched on it. Again, it is fair to say that in the case of the Canadian General Electric Company, support under PAIT and IRDIA has been offered and accepted. This has led to the carrying out of work for which we are peculiarly adapted in Canada and which has put us in the forefront of technological progress in a number of areas.

I think of the Eel River power development; I think of the work done jointly by the New Brunswick Power Commission and the Canadian General Electric Company; I think of the new high voltage direct current technology which was developed and installed in large measure as a result of the support given to the company by the Department of Industry, Trade and Commerce under the IRDIA program. Other companies in my area have received the benefit of similar support, including the de Laval Company and the Fisher Gauge Company, a small, totally Canadian-owned and highly successful venture. Again, they have been assisted by the Program for Advancement in Industrial Technology.

In my judgment, these programs put forward by the government have worked to support Canadian manufacturing and Canadian technology. They have made it possible for Canadian manufacturers not only to compete at home against offshore competition but to find new markets abroad. In doing so they have provided the employment with which all of us are deeply concerned. If there is criticism to be directed against these programs, it can only be that they have not gone far enough.

I have studied the development of PAIT. In 1965, PAIT, it seemed to me, was a defective program. It was not as good as it is today. It has been improved. That is true of some of the other programs. If the debate today were to serve any useful purpose, the opposition should have taken a hard look at these programs and produced suggestions for improving them; I am sure the mind of the government is open with respect to considering ways in which they could be improved. To my mind, the debate has been a failure because of the refusal of the opposition to deal specifically with the programs they have brought before the House for criticism. I now turn to a subject I have raised before in this House. I think specifically of the position of the heavy electrical industry of this country. The government's record in support of the heavy electrical industry has been pretty clear. Some of the financing that we have made available to the utilities in the various provinces, and the conditions attached to such financing to the effect that they support Canadian technology, have in fact served the interests of Canadian technology. But the fact remains that the utilities are the creatures of the provinces. Their main interest is to get the generators, the switch gears and whatever heavy electrical equipment they need at the lowest possible price, and apparently up to this point, with very few exceptions, they have been unwilling to really support Canadian technology, Canadian workmen and Canadian manufacturing to the extent they should.

• (1740)

Let me examine the Peace River project. Out of a total of $49 million spent on that project, foreign firms from Japan, the United Kingdom, Switzerland, Sweden and France took over 50 per cent of the orders. I should like to ask, when was the last time Canadian heavy electrical manufacturers were successful in bidding in any of those countries? When was the last time Canadian heavy electrical manufacturers were able to bid in Japan, Sweden or Britain? They are closed markets. They do not accept,

through various means, devices and ruses, our manufactures of these products. Yet here are we offering open hunting to these offshore suppliers.

Let us take the Nelson River project. These figures may be dated, but it appears that out of a total of $65.3 million spent, foreign firms have taken over 65 per cent. Even though these figures can be updated, I suspect the proportion is the same. Some years ago Mr. Walter Ward, who at that time was executive vice-president of Canadian General Electric Company, in a very interesting speech entitled "Urgent Need for Co-operative Effort" suggested that the utilities, the federal government and Canadian industry should co-operate in support of the Canadian heavy electrical industry because it was a key industry in this country. I suggest—

The Acting Speaker (Mr. Boulanger): Order, please. I regret that the time of the hon. member has expired.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, it is distressing for me today to speak in this debate with the full knowledge that neither the Minister of Industry, Trade and Commerce (Mr. Pepin) nor the Minister of Regional Economic Expansion (Mr. Marchand) is present. One would have thought that when their departments were being subjected to criticism they would try to be here to reply to the points that are made, that they would try to defend the government's record. I think it is important that they be here and I regret their absence.

In the brief period available to me I want to make some specific criticisms and suggestions. The Minister of State for Science and Technology (Mr. Gillespie) took great pride in the fact that the job creation rate in Canada was something to behold in this modern world. He was followed by the Parliamentary Secretary to the Minister of Industry, Trade and Commerce (Mr. Howard) who was just as euphoric in telling us that we must be doing a good job in terms of making grants and tax concessions to further regional development in this country, because after all we are creating a lot of jobs.

I suspect that both the minister and the parliamentary secretary were referring to the OECD study some time ago which provided comparative information about our performance compared with other countries in the western industrial world. It would have been very interesting had he revealed the full import of that study. For example, he covered the last quarter of 1971, but what he neglected to tell us was that in West Germany, for example, one of the countries surveyed, a country governed by a social democratic party, there was an unemployment rate of 0.5 per cent. Indeed, West Germany imported two million foreigners because they have more jobs available than workers to fill them. But the hon. gentleman neglected to mention that.

He also neglected to mention that in Sweden only 2.7 per cent of the population were unemployed. Sweden is another country that is governed by a social democratic party. He could also have mentioned Norway, with unemployment at 1.4 per cent—again, coincidentally perhaps, governed by a social democratic party. However, the point is that their unemployment rates are very low indeed, the lowest in the world, so it would be absolutely absurd for them to have a very high job creation rate. Canada has to have a high job creation rate because we have the highest level of unemployment of all industrial countries in the world. I suggest it is absolute idiocy to say that these other countries do not have the same job creation rate that Canada has, since they have virtually full employment.

During the last quarter of 1971, for example, in the countries surveyed in western Europe there were 1,502,000 unemployed. However, 1,163,000 jobs were available for them. This means that obviously those countries do not need to create more jobs because they have virtually full employment. There was almost one job available for each man looking for a job. The countries in western Europe to which I referred have the highest level of employment, I argue, in man's history. To suggest that their job creation rates are not as good as Canada's is a very poor argument. We need a high job creation rate because we have such high unemployment, for which the government is directly responsible.

Let me refer to some other interesting figures relating to the multitude of programs offered by the Department of Industry, Trade and Commerce to assist private enterprise, the kind of programs that made George Bain write recently in his column in the *Globe and Mail* that if the welfare state exists in Canada at all, it exists for the corporate sector, not for the ordinary citizen.

I have a list of programs offered by that department, 12 in number, for which the private sector can receive outright grants from the government. During the period 1968-69 you will find that spending under those programs to assist private corporations amounted to $390,593,000. The following year it increased to $399,481,000. In the period 1970-71 the amount was $370,004,000. Last year the government gave out $472,136,000 to the corporate sector. The estimate for 1972-73 is $530 million. This makes a grand total of $2,162,217,000 outright grants to the poor, struggling, private enterprise sector, companies which like to say—out of the other side of their mouths, of course—that everyone should be rugged individualists and that government should not interfere in the daily lives of citizens, except, of course, when giving handouts to them.

A look at the unemployment statistics for that period reveals, not a positive correlation between money going into the private sector but a negative correlation. Average unemployment figures for the previous five-year period reveal that in 1967 the rate of unemployment was 4.1 per cent. In 1968 the rate was 4.8 per cent, in 1969 it was 4.7 per cent, in 1970 it was 5.9 per cent and last year it was 6.4 per cent.

• (1750)

I say to those two ministers who have been boasting so much about job creation as a result of this spending that they should check their statistics. We have spent over $2 billion, and we have an increasing rather than a declining rate of unemployment. I suggest that not only are we providing fantastic sums of money, supposedly for regional development programs intended to create jobs but which do not have any significant impact and conceivably, in some cases, have a negative impact—we in Canada are experiencing a phenomenon that has concerned Senator McGovern of the United States.

I for one hope Senator McGovern gets the nomination, wins the presidency of the United States and goes on to do what he says he will do, because he is moving marginally in the direction about which we are talking in Canada. He recently referred to the "corporate rip-off" in the United States, indicating that the average and poor American citizen is subsidizing the corporate empire in that country to a fantastic degree. If he is elected president, he intends to change that situation.

I suggest this is not occurring just in the United States. If you look at what has happened in the shift of the tax burden in Canada since 1950, what will be seen is a trend that anyone with minimal concern for equity should view with apprehension. In 1950 the personal income tax share of the total tax burden was 26.7 per cent, while the corporate share was 28 per cent, or just about even. In 1953 the personal share went up to 33.5 per cent, while the corporate share went down to 24.3 per cent. In 1956 the corporate share went down to 23.9 per cent, while the personal share remained at 33.5 per cent. In 1957, the last year of Liberal government before the change, the personal share of the total tax burden went up to 37.1 per cent, while the corporation share went down to 20.6 per cent.

Then we had a change of government. We moved from the bad old Liberal days to the good Conservative days! One would think that under the right hon. member for Prince Albert (Mr. Diefenbaker), coming from the populace that he did, we would have seen a significant shift in the tax burden, with the average citizen paying less and the corporation paying more. We did not see that shift; the same inequitable trend continued. In the first year of the Diefenbaker government the corporate share was 21.8 per cent and the personal share 35.6 per cent. In the next year, the personal share was 38.4 per cent and the corporate share 20.1 per cent. The corporate share declined again in the subsequent year of the Diefenbaker government.

Then we had another switch and the Liberals came back into power. Everybody thought that with a change in government we would get a change in the tax burden. But the same trend continued. The amount of tax paid by corporations in Canada began to decrease significantly.

What is the present situation? Remember that in 1950 corporations were paying 28 per cent of the tax burden and ordinary citizens, through personal income tax, paid 26.7 per cent. In 1973, based on tax rates now, the corporate share of the tax burden will go all the way down to 12.2 per cent, while the personal share of the tax burden will go up to 49.9 per cent. This is a complete reversal in terms of trend which can be noted by anyone who is really concerned about tax equity in Canada. The Liberal government has made no progress in this regard over the preceding Tory government, which in turn made no progress over the Liberal government which preceded it.

Mr. Knowles (Winnipeg North Centre): The more things change, the more they are the same.

Mr. Broadbent: We have, in very significant proportions, what can only be called a corporate tax rip-off in Canada about which neither of the traditional parties in this country seems to be concerned.

What has happened in respect of DREE programs? These have been referred to today as programs to provide jobs but they are having little success. We have spent $1.2 billion on them since 1969. The only study that has been made of DREE programs and is now publicly available suggests this money is being wasted. The study indicates that the money is not being spent in the way it was intended.

The study was made of 72 per cent of the 25 corporations with assets of $20 million or more as of March last year. It was determined conclusively that these corporations were getting a windfall profit. The decisions made to locate in one part of Canada as opposed to another had absolutely nothing to do with the grants being provided by the taxpayers of Canada. In short, the corporations intended to locate where they did locate, but cooked the books and prepared a nice case to get handouts from this government. That is some regional development program and some waste of the taxpayers' money!

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. John Roberts (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, I listened with great interest to what other speakers have said today in this debate. Unfortunately, I was not able to be here for all of it. Of the speech of the hon. member for Prince Edward-Hastings (Mr. Hees) there is not much that need be said, nor indeed much that could be said. Perhaps the kindest, and cruelest thing that could be said of it is that it was up to his usual standard. The speech of the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) was one with which I confess I had some sympathy, particularly the hon. member's emphasis on the necessity of doing more to assist the position of the smaller businessman in our society.

I know the Parliamentary Secretary to the Minister of Industry, Trade and Commerce (Mr. Howard) has already spoken in relation to this problem. I suggest it is not a problem which can be dealt with only through tax concessions in relation to profits made by small enterprises. There are real problems in Canada in finding and providing for small businesses the seed capital which they require to establish themselves. It is all very well to give tax benefits to those who overcome the obstacles of establishing themselves. What we need, however, for I believe our financial system has been inadequate in providing such capital, are institutions supported by government which meet seed capital requirements. Perhaps we might look more closely at what is being done in the United States to make available to business more of the kind of capital needed in what are necessarily high-risk operations.

There was one point made by the hon. member for Nanaimo-Cowichan-The Islands on which I should like to comment. He implied—perhaps this is understandable in a British Columbian member—that there is a bias against British Columbia in the making of grants. It was not clear exactly what kind of incentives he was discussing; it was

not clear whether he was referring to operations under the Department of Industry, Trade and Commerce or under the Department of Regional Economic Expansion.

He contended, for instance, that British Columbia did not receive its fair percentage of grants in comparison to levels of unemployment. In so far as he was referring to the Department of Regional Economic Expansion, I put to him that the functions of the department in an incentive program are not simply to combat immediate problems of unemployment. Unemployment is certainly an important factor which we look at in designing our programs. However, there are many other factors which are also important in designing those programs. For instance, there is the extent of investment in an area or province or the per capita level of income in a province. British Columbia, on a per capita basis, is the third richest province in Canada. The fact of that relative wealth must be taken into account when considering where regional development incentives should be concentrated.

I should like to spend some time this evening discussing the comments of the hon. member for St. John's East (Mr. McGrath) who has had a long and continuing interest in the activities and programs of the Department of Regional Economic Expansion. In the first part of my remarks you will understand, Mr. Speaker, if I reply to some of the charges he has made. The first was that the minister made no attempt to respond to the criticisms of the department's program. In fact the minister appeared, and so did his departmental officials, at a multiplicity of hearings of the standing committee dealing with this subject.

The committee met 14 times, with a variety of appearances by senior officials and by the minister. Indeed, the committee met so often and the minister met with it so often that the hon. member for St. John's East himself complained that the committee might as well cease its hearings, since the subject had been lengthily covered.

The hon. member for St. John's East contended the government has created record unemployment. No economy in an industrially developed country has a better record in the creation of jobs than Canada over the past four years. It is true that we have high levels of unemployment. However, these are not the result of immediate government policies but are a reflection of structural problems in the Canadian economy, particularly the problem of the very high rate of entry of young people, and increasingly of married women, into the labour force. Indeed, if you look at the job creation side of the Canadian economy, one would have to conclude that the government has done a good job.

But there is perhaps a more fundamental objection to that comment by the hon. member for St. John's East. It is basically this. The problems of regional development, the disparities in regional development in this country have been with us now for something over a century. The activities of the Department of Regional Economic Expansion were not constructed in the belief that we could, through a magic wand, somehow overcome immediately these deep-seated, long-term disparities. The minister has often said he believed it would take perhaps up to 15 years before we could determine whether or not we were having a fundamental, significant impact on the removal of economic disparities in this country.

[Mr. Roberts.]

The charge that the Department of Regional Economic Expansion has been operating for three years and that its programs have been a failure is a misunderstanding and a misapprehension of the nature of our approach to the structural problems of regional development. We have never contended that we could, through the immediate application of our programs, raise almost overnight the Atlantic region, from which the hon. member comes, to the level of Ontario or some of our other more developed provinces. We recognize that this is a long-term struggle and is not one which can be solved overnight, not even in these short years.

• (2010)

The hon. member spoke a great deal about what he calls the Dr. Springate thesis. He referred to the brief presented to the regional development committee by Dr. Springate of the University of Tennessee. The conclusions of a study are only as good as its methodology. Dr. Springate himself, volunteered to the committee that he was not satisfied with the methodological base on which his study was made. It was simply too small. The subject groupings were too small and the interview technique was too imprecise. The amount of information he was able to collect was done on the basis of subjective interviews. He made no attempt to cross-check them with objective information that was available. All of this Dr. Springate clearly admitted.

Dr. Springate commented, as did Dr. Brewis who appeared with him before the committee, that he was dismayed with the kind of political use being made of the findings of his thesis. In effect, Dr. Springate's thesis is as valuable to us as a colour landscape painted by a colour-blind man. It indicates some shadowy areas where further study could be usefully carried out. It shows some patches which could be examined in more detail, and more rigorously, than Dr. Springate had time to do. For the hon. member for St. John's East to use this academic document as a universal condemnation is a disservice both to Dr. Springate and to the programs of the department.

The hon. member for St. John's East raised one main point of criticism of the department. He suggested that various groups such as the Atlantic Development Council and the Atlantic Provinces Economic Council had been critical of the department's programs. It is true that on occasion they have been critical of some of the operations we have undertaken. However, in many ways they have expressed their approval for the principles of what we have been doing. They have also suggested ways in which we could improve our activities. Their support for the program is well known, as indeed the hon. member for St. John's East admitted when he said he felt that the concept of the department was a good one.

The hon. member suggested that the incentive areas were spread too thinly across Canada. I can understand that one might reach this conclusion if one simply looks at a map and regards the coloured areas as areas which are eligible for regional development incentives. But we do not simply concentrate on a geographic base in terms of square miles. We concentrate on areas where there are problems of deep-seated economic disadvantage. In fact, a very large degree of our efforts have been undertaken in the Atlantic provinces.

The hon. member referred to two specific cases, one of which was the location of Acme Seely in Renfrew and the other was the project of establishing a sugar refinery in Cornwall. Perhaps I might deal first with the question of locating a sugar refinery in Cornwall. I doubt, Mr. Speaker, whether anyone in this House would be able to convince you that the location of a sugar refinery in Cornwall would not be of some assistance in dealing with the problems of that area. I am sure there is no one in this House more aware than Your Honour of the personal problems which have been created by the very high levels of unemployment, virtually 20 per cent which now exists in the Cornwall area.

I was moved by the eloquent plea of the hon. member for St. John's East who spoke at length and with great sincerity about his concern for the plight of the people in the Cornwall area. He said that he wanted to make it clear he was in no way opposed to assisting the people of Cornwall. He was against the sugar refinery, but he was certainly concerned about the plight, concerns and problems which resulted from the very high level of unemployment in the Cornwall area.

I ask the hon. member, as a member of the Conservative party, if he is not able to contact his colleagues at the level of the provincial government of Ontario. Because at the federal level we have been prepared to assist in the establishment of an Uncle Ben's brewery in the Cornwall area with great financial support from the federal government. We are concerned about the levels of unemployment in that area. It is the hon. member's colleagues in the Conservative government at the provincial level who have refused to come to the joint assistance of that area by supporting that program. I would be more impressed by the crocodile tears which the hon. member shed if he would give us some indication as to whether he will bring pressure to bear on the members of his party who, temporarily I hope, hold the position of government in Ontario.

I hesitate to become too political on an occasion like this, particularly when we have someone from Cornwall in the chair who might find it difficult to bring me to order when I am so eloquently defending the interests of his area.

Mr. Winch: You did not point out that the offer of help came from a British Columbia government.

Mr. Roberts: We appreciate help from wherever it comes, even from such a strange place as the British Columbia government. The hon. member for St. John's East also referred to Acme Seeley and its location in the Renfrew area. Because he made his speech after five o'clock I was unable to get the details of that specific case. However, if the implication of what he suggested is that the effect of regional incentives is not to create new jobs but to take jobs away from one area and place them in another, that insinuation is entirely unwarranted.

It can sometimes be the case that an operation is considering closing down in one area regardless of the assistance that might be provided to it. There have been occasions when assistance under the Regional Development Incentives Act has prevented an operation from leaving a province or the country entirely. I will undertake to get a more specific reply with regard to Acme Seeley. I will make sure the hon. member receives more accurate details than he was able to present to the House.

Mr. Speaker: Order, please. The hon. member's time has expired.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, in speaking on this motion moved by the hon. member for Prince Edward-Hastings (Mr. Hees), I feel that in assessing the government's handling of our monetary and fiscal policies there is no better way to start than by referring to the latest figures issued by Statistics Canada. Statistics Canada forecast in large part where our economic problems lie, with considerable evidence that the coming months will not provide the economic growth to absorb the anticipated new entries into the labour force. Until the trade sector improves there does not seem to be any real hope of reducing the relatively high unemployment level of the past year.

I realize that the rate of entry into the labour force is due to drop unless, of course, there is massive immigration, and that within a few years, with a decrease of entrants into the labour force, providing employment, particularly for the youth of our country, will be much easier. However, until that happens Canada must have a high economic growth. The increase in population in the mid-1950s was almost 500,000 per year, while last year it was only 220,000 on a considerably larger population basis.

• (2020)

Statistics Canada shows that our gross national product in real terms expanded by only 1 per cent in the first quarter, which was lower than in any quarter of 1971. The recovery that began in the early part of last year lost its momentum, with the October to March periods being very slow, giving us a high unemployment rate of 6 per cent in the first quarter, indeed in the first five months of this year. In order to meet the forecast growth of nearly 6 per cent, activity will have to increase substantially. Unless there is a considerable increase during the balance of the year, this expected goal will not be met.

One of the weakest areas is our merchandise trade, where the surplus amounted to only $263 million for the first five months of this year, compared with $694 million for the corresponding period last year. Then there has been a slippage in housing starts. All this added up to an increase in unemployment in May over April. There is no doubt that the trade sector is the chief drag on the economy. Imports are being drawn more rapidly into the country. This is evidently due to the 10 per cent appreciation in the exchange rate of the Canadian dollar over the past two years. To no one does the strengthening of the Canadian dollar bring such bad news as it does to the prairie grain producers. As a result of this situation, farmers are getting a much lower price for their exported grain, and selling Canadian grain will prove to be more difficult.

Canada's recent wheat sales to China were in pounds sterling. With most other countries buying in American dollars, the purchasing power of both currencies has been declining in relation to the Canadian dollar. In the past

three weeks the British pound has declined 5 cents and the American dollar 1½ cents. Mr. Lockwood, second vice-president of the Saskatchewan Wheat Pool said:

> The money lost in exchanging the currencies for Canadian money means farmers will get less for their exported grain. Foreign countries don't buy Canadian grain with Canadian money because they don't have enough of it, if any.

Since the Canadian dollar was unpegged two years ago from 92½ cents U.S., the farmer has lost between 15 cents and 16 cents a bushel on exported grain. This has resulted from the rising value of the Canadian dollar on world markets. On sales of approximately $1 billion per year our farmers lost well over $100 million on the sale of grain last year, this at a time when the bushel value of grain was at an all-time low in the markets of the world. This also means it will be more difficult to sell grain because it will be more expensive on the markets of the world. Our grain trade produces for Canada well over $1 billion a year in foreign exchange. If our trade in automobiles and automobile parts is left out, because it largely amounts to an exchange, this shows that our grain trade accounts for almost 10 per cent of our over-all trade. Further, it is especially valuable because it goes to world markets outside continental North America.

We can talk about all the great things we should be doing and how we could work out a great industrial strategy that would bring us prosperity, but unless Canadians show a willingness to get on with the everyday business of doing their job, all our great plans will come to naught. The Montreal port strike is one of the very great question marks in the movement of grain to world markets at this time. Mr. Vogel, the chief commissioner of the Wheat Board, has been quoted in an interview this week as saying, "It has been calamitous to our (grain) movement. Every time there is a delay, we lose a possible further sale." Sales of grain to traditional customers have assured that our export ports will be working to capacity at least until May, 1973. In addition there have been experiments conducted to obtain greater flexibility in sales to other countries.

The continuing strike by the longshoremen has cut by half our grain handling capacity through the St. Lawrence. Last week there were nine boats waiting to be loaded at Sorel, another nine at Baie Comeau and 13 at Port Cartier. These ports have been attempting to take the grain diverted by the strike at Montreal. In this case the vessel owners and buyers of grain are losing millions of dollars, because the Wheat Board is not liable for the cost. As I say, the strike could well cost Canada the loss of future sales. The Montreal port strike has prevented the movement of grain from this country. Now it is almost certain there will not be the record that was anticipated earlier this year. Considering that the price of our grain on world markets is so low, failure to move the grain is all the more disastrous.

The much touted industrial strategy of curbing the export of raw materials or semi-processed materials and replacing them with manufactured goods has a long way to go before it is a viable alternative in the Canadian economy. The government has mismanaged the fiscal policies of the country to a great degree. The Minister of Finance (Mr. Turner), having set a limit on what the banks can pay for funds, has brought about a situation in which the banks will not have as much money to lend as they had previously. Almost certainly this will mean rationing of money for the major corporate borrowers. Presumably they will not have the ability to go to the banks but will have to bid in the market for outside funds.

The Bank of Canada has been expanding the monetary supply at an annual rate of 25 per cent since the beginning of the year. This follows a two-year stretch in which the expansion of the money supply was estimated at 18 per cent. This monetization of corporate debt, involving the creation of huge liquid claims against the banking system, which forms part of the public money supply, in turn raises the spectre of accelerating inflation. In contrast, the money supply in the United States has been kept down to a much reduced rate of increase of approximately 7 per cent. This in turn has meant that interest rates there have not been raised.

A comparison shows that a rise in the American economy is being successfully carried forward. Using the expansion of the money supply to the extent that it has, our central bank inevitably invites the sort of excesses apparent in an excessive loan demand situation. The banks have taken corrective steps, but the more demanding requirement is for production to catch up to the funds available for financing it.

The conclusions of the Senate Standing Committee on Finance in its report on growth, employment and price stability are of particular interest. The committee concluded: (1) the three big levers of monetary, fiscal and exchange rate policies remain central and indispensable in stabilizing the Canadian economy; (2) co-ordination of fiscal monetary policies and close co-operation between the Department of Finance and the Bank of Canada in the exercise of these policies are essential; (3) the Bank of Canada cannot operate monetary policy on the basis suggested by some monetarists. It must be concerned with such important matters as interest and exchange rate levels, liquidity, and the financing of federal government debt. However, it should give more relative emphasis to steadying the growth of the money supply and it should guard against the tendency to be overly reactive to short-term indicators. The Senate Committee also said:

> —in reviewing with our witnesses the post war record of monetary policy in Canada and noting the sometimes quite frequent sharp swings of policy direction within relatively short periods, we are led to question whether there has not been a tendency on the part of policy makers to be overly reactive to short-term indicators and to fall somewhat into the pitfalls of fine-tuning with a blunt instrument.

Needless to say, these views strengthen my contention that the Department of Finance and the Bank of Canada must carefully co-ordinate and control the increase in the monetary supply with an eye to its long-term economic implications.

The Senate Committee also noted as follows:

> Recently many central banks in the free world have shifted their efforts towards controlling monetary aggregates such as the supply of money. This move, in my opinion, offers the first ray of hope, that the present world wide inflation will be brought under control.

• (2030)

Finally, the Senate committee said they would—

—confess to having been much impressed by the thrust and conviction with which monetarists are able to put forward their views, by the obvious scope of their empirical research, . . . and by their undeniable impact on the whole field of professional economics and on the psychology of financial markets.

Mr. Speaker, I contend that this government has not provided a reasonable and good monetary policy.

[*Translation*]

Mr. Guy LeBlanc (Rimouski): Mr. Speaker, I find it hard to understand that the opposition can express, as it has today, such indictions of the government's economic policy, specially considering that since the first months of 1970 the government's monetary and fiscal policy has been definitely geared toward development and expansion in Canada and that the government has had to bear a very heavy load of expenses in order to stimulate the economy.

Furthermore, the government brought down, early in May, a budget designed explicitly to cope with the defects mentioned in the motion now before us.

Before considering specific programs, it is appropriate to recall some figures and facts related to our economy. Last year, for instance, our economic growth rate was 5½ per cent and the rate estimated for 1972 is approximately 6 per cent. This growth was certainly felt in the field of good and services.

Reference to figures for 1964 reveals that the value of our exports of finished products was $1,400 million for that year whereas in 1971 this figure was $6,600 million. The difference between those two amounts represents an average annual increase of 25 per cent. Canada's commercial surplus in 1971 was $2,100 million and was second only to that of 1970, which was the highest ever.

If you also consider housing starts for 1971, you realize that 233,000 units were produced, which was an unprecedented achievement.

As a matter of fact, the government has taken very wise measures concerning the economy. However, what many people will not recognize is that sometimes business does not respond immediately to economic indicators and incentives used by governments or by the most aggressive groups in this country.

When economic conditions become more encouraging, there is first an increase in business and industrial productivity, in an attempt to keep pace. However, a certain period of time has to elapse usually before the increase will result in investments and expenditures. I believe it is very important to take into account the adjustment period that extends from the beginning of an economic revival to the beginning of the upswing in investment.

But there is evidence that the economy is in progress and that the government measures show their good effects when we consider that companies report a 36.2 per cent increase in profits for the first quarter of 1972.

As far as the incentives programs are concerned, it is good to look at some of them within the framework of the Department of Regional Economic Expansion policy, which usually highly interests the members of this House.

Employment Incentive Programs

Under the incentives program to industry, a program which promotes and encourages the manufacturing industry in the Atlantic provinces, for instance, at the beginning of February last, 249 grant offers had been accepted.

Under the Regional Development Incentives Act, capital expenditures amounted to approximately $201,000,000, thus contributing to the creation of 9,800 jobs, equal to 19 per cent of the total number of jobs expected under the program for the whole of Canada. This percentage is much higher than the unemployment rate of the Atlantic regions compared with the rest of Canada.

What is unusual is that everybody—liberal members and the liberal government prove it every day—is highly interested in reducing the rate of unemployment and in creating new jobs. It is recognized that the unemployment rate is much too high. In fact, we talk about a rate of 6 per cent but we never mention the other Canadians—the 94 per cent who are employed. We are wont to discuss only what goes wrong, yet there are many people working in Canada and living very well, a fact that makes Canada one of the most advanced countries in the world, and a fact that we are not ashamed to discuss with our colleagues nor with the citizens or groups of citizens of other countries which we occasionally visit.

I would like to mention the FRED program as it applies to northeastern New Brunswick and which is under way for the greater welfare of this area, and the Prince Edward Island development program which, according to the 1969 agreement, provides for a grant of $118,500,000 by the Regional Economic Expansion Department.

In Quebec, the province where I live and where the constituency of Rimouski is located, under the grants to industry program, at the beginning of February, 671 grant offers had been accepted, following attractive requests from industries whose capital expenditures amounted to about $600,000,000, in order to create 29,800 jobs.

In Quebec also, I think we must consider the five special zones created. As to the various community services, under the agreement creating these special zones, in this province as well as elsewhere in Canada, financial arrangements have been agreed upon within the program of assistance to provide secondary services in communities in view of helping already established industries and of attracting new ones; as at last March, these grants amounted to $142,800,000.

I would also like to say a word about what has been accomplished in the Lower St. Lawrence and Gaspé regions towards rural and social development. Instead of being designated "special", that region has been called a "pilot region"; in this way it benefits from a number of grants applicable to special regions; but according to a specific agreement, it is designated as a "pilot region" for the purposes of the FRED program as applied to the Lower St. Lawrence and Gaspé regions. In 1971, when the agreement came under review, the Department of Regional Economic Expansion pumped into it an additional amount of $153 million.

Many other places, too numerous to name, also enjoy similar benefits. I think of the Prairie provinces which, in 1972-73, will receive grants and take advantage of loans;

one can also consider the cost of what is known as the farm assistance, which represents about $21 per person. That can be compared with similar per capita amounts—$22 or $28 according to the situation—paid in some regions of Quebec. An amount of $97 per person is granted in the Atlantic region.

• (2040)

Insofar as I know, the Prairie provinces have also benefited from the industrial incentive programs; if one considers the statistics for February, 214 offers had been accepted, taking into account an investment of $180 million, thus creating about 8,150 jobs.

For the whole of Canada, if we consider the old industrial incentives act, administered by the Minister of Regional Economic Expansion for the benefit of certain regions, 19,600 jobs have been created. The difference between the number of jobs created and the number anticipated is below 2 per cent, which is a very interesting result.

One could also consider the achievements, the programs and the policy established within the jurisdiction of the Department of Industry, Trade and Commerce. According to one of the latest reports of that department, the budget earmarks an amount of $75,400,000 for grants and various contributions.

There are other statutory programs, of which the general incentive program IRDIA representing $30,100,000, the Automotive Assistance Program, $11 million and the DIP program, to help modernize the Canadian defence program, amounting to some $6,700,000.

Those grants and subsidies amount to a total of $123,200,000.

I shall only mention as well the program the same department adopted to help shipbuilding in Canada; everyone knows that this Department of Industry, Trade annd Commerce program was of immeasurable assistance to the workers in Canadian shipyards.

In closing, I should like to mention an important detail: it seems strange that hon. members of the opposition always seem to see the gloomy side of Canada, while other countries—and the OECD for instance—consider that Canadian economic growth in 1971 ranked amongst the highest in the world. One of the leading newspapers in England, the *Times*, gave Canada first prize for the best general economic evolution amongst all industrialized countries in the western world.

[*English*]

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I am pleased to have the opportunity of becoming involved in this debate because I think the motion before the House is meaningful. May I bring to your attention, Sir, something I learned as a result of being involved with the Standing Committee on Labour, Manpower and Immigration when it was dealing with Bill C-183.

When I was asked to become involved in the debate on this motion it suddenly dawned on me that a strange anomaly has developed in this country. On one hand the Department of Industry, Trade and Commerce has earmarked millions of dollars for innovation—or technological change, if you will—and has been saying to industry and manufacturers, "Come and see us; we will grant you money in order to make you more competitive in domestic and international markets." On the other hand, because technological changes, as defined in the act, are being encouraged the government has said that collective agreements which have been closed may be reopened. In other words, the effects of technological change may be looked into and if labour and management do not reach a new agreement a strike may ultimately result.

That is the anomaly to which I refer. On one hand the government gives money to industry in order to place it in a more competitive position, while on the other hand and at the same time it is strangling industry. If a collective agreement which is closed, is opened and no new agreement is reached, labour can use its ultimate weapon, the strike—the weapon which is being increasingly questioned.

We are all concerned about full employment and economic growth. Now and again, however, we must place our finger on and be concerned about—I say this with all due respect—those who are directly involved in this process. We have discussed this question at length. As you know, Mr. Speaker, I come from an industrial city of which I am proud. Voluminous legislation is produced affecting those in business who must decide how to increase productivity. Businessmen tell me that almost every time they turn around, a new law comes down. For the big company this is fine; it has the wherewithal for high-priced lawyers, accountants, public relations men, lobbies, and so on. Big companies can afford to sit down, peruse and analyse government legislation as it is passed almost each month.

I am concerned about the small chap, the businessman who does not have that sort of wherewithal. How is he to survive? Where is he to get his advice? From the *Globe and Mail*? From the Hamilton *Spectator*? Will those newspapers tell him how he is to move and what his rights are? I am greatly concerned about the type of legislation this government passes. I will not discuss this question at great length; I merely wish to put on record my thoughts. This government is hypocritical. It has indicated that it supports full employment, economic growth and helping the helpless whether they be individuals or organizations in the corporate structure; at the same time, however, it has passed legislation that is bound to create frustration, confusion, disenchantment—

Mr. Munro: And consternation.

Mr. Alexander: —and consternation, as the minister says.

An hon. Member: What's his name?

Mr. Alexander: Yes, what's his name?

Mr. MacKay: The minister of wealth and hell fare!

Mr. Alexander: Bills such as the one I referred to, which deal with labour matters, give rise to consternation. I thank the minister for suggesting the word.

Something else bothers many people, particularly those this government expects to carry the load in the private

sector. It is this: People feel they are never listened to. They have developed theories and rational arguments which, if heeded, would put this government on the right road. But the government does not listen. I am looking at the Minister of Veterans Affairs (Mr. Laing) and I ask, what happens to most of these suggestions? I suggest they wind up in the wastepaper basket. People who try to set this government straight or give it the benefit of their wisdom are engaged for the most part in an exercise in futility.

• (2050)

I am particularly interested in DREE as it affects the city of Hamilton. If we look at the report from the other place, which deals with issues such as this, we find the following:

It appears to the committee that a policy designed to distribute industrial growth more evenly around the regions, desirable as it undoubtably is, should be conceived within the framework of an overall industrial and technological strategy. For instance, using government subsidies to destroy or weaken firms well located in one region by creating new competitors artificially located in another is not in the long term national or regional interest. These artificial growths can damage prosperous areas without establishing a solid basis for industrial expansion in less developed regions, since they cannot be subsidized permanently. In Canada and elsewhere experience shows that this kind of approach leads to a waste of public funds, rising expectations and eventually bitter disillusion in the areas eligible for special assistance.

That applies to instances where industry is brought in to compete with industry which is already established. What concerns me is that the government should have no qualms whatsoever about removing industry from one place in order to create employment in another, thereby causing unemployment in the city from which the industry was taken. Here I make specific reference to Hamilton. The first instance was Aerovox, the second is of recent vintage. This is the one involved with Acme Seeley Business Systems Limited of Toronto.

The hon. member for York North, or from one of the other constituencies in that area, appeared puzzled that the hon. member for St. John's East (Mr. McGrath) should question the government in this connection. I want to let hon. members know what really happened. Acme Seeley Business Systems, as a result of a DREE grant of $862,000 or more, has created 137 jobs in Renfrew. But what did they do? Do hon. members know what was done in the city of Toronto? The subsidiary is Jackson Metal Industries. Through this subsidiary, 136 jobs were involved in Toronto and in Hamilton before the company moved to Renfrew. So what was the gain? One job is gained in Renfrew, and 136 people are turned out of work.

I am here today to raise objection on behalf of the City of Hamilton and other cities throughout the country which have experienced this sort of thing. I see the Minister of the Environment (Mr. Davis) smiling. I do not know whether he is acquainted with this situation but he is a responsible minister, to some extent, and I hope he understands what I am trying to put across. It is impossible for a government to do this sort of thing and remain credible.

The issue which arises is wider than the two cases I have mentioned. How many other cases are there of a similar nature? How many millions of dollars of public funds are being used to deprive people in non-designated areas of their jobs? This is a legitimate question and I hope that at some time it will be answered. If I can give two illustrations arising within the cities of Hamilton and Toronto, it is likely that a great many more can be found within our society.

Mr. Whelan: The environment is better in Renfrew.

Mr. Alexander: Does the hon. member wish to speak? The hon. member for Essex-Windsor (Mr. Whelan) can always do so if he wishes.

In the past, when such instances came to light, the minister always managed to give an explanation which he hoped would sound plausible. He would say the firms would have gone out of business had the department not helped them. No doubt we shall get further, supposedly plausible explanations in the days to come, because I understand the minister has a fertile mind.

But why should well-placed, well-established firms find difficulty in surviving? It is not, I suggest, because of their own incapacity; it is primarily the result of the policies of the government. After all, if a manufacturer is producing in a city where housing costs are rising, where confrontation between management and labour rather than negotiation is the rule, where food costs are rising, where property taxes are rising, these are circumstances which have to be met by salary increases. If governments do not move in to alleviate the situation, industry will move to a lower-cost region. So don't let members opposite tell me industry had to move because otherwise it would have gone under. It is up to them to tell me why it would have gone under.

It seems to me that on an increasing number of occasions DREE grants are being used to transfer employment from one region to another. This gives cause for serious concern. One possible deterrent to this being done would be to deduct from the incentive grant an amount based on the reduction of employment at a company's other plants. If within a two-year period following the initial payment of a grant a company were to reduce its employment levels elsewhere in Canada, the repayment of part or all of the grant should be required. At present, a company is only required to make repayments if it reduces employment at the facility in respect of which the grant was made.

Let me deal, now, with another area affecting the Department of Industry, Trade and Commerce. It is noted that grants to industry to stimulate innovation have increased from approximately $58 million in 1968-69 to $114 million in the current fiscal year. That amounts to an increase of about 94 per cent in only four years. These grants primarily affect transportation, the metal industries and electrical concerns. But the significant fact, as revealed by Statistics Canada, is that there has been little increase in research and development expenditures by industry since 1969. As a matter of fact, efforts in this direction have been decreasing. In the electrical, transportation and machinery sectors we find that innovation expenditures have fallen from $176 million in 1969 to a predicted $162 million this year. Remember, it is in these sectors that the majority of the grants have been concentrated.

These figures demonstrate the failure of the incentives program to stimulate innovation. This should not surprise us, since the greatest stimulus to innovation is a high level of demand for a company's product. The government has failed to provide this stimulus. The recent budget epitomizes this failure by doing very little to increase consumer demand. We on this side continue to say this could have been achieved by reducing personal income tax payable by the lower and middle income groups. The government can allocate all the grants and subsidies in the world, but if there is no demand for a product it is wasting its time. How is demand to be created? We say it can be done by cutting taxes and putting the money back into the pockets of consumers. But the government says no. To my mind, small firms, even if they could take advantage of incentive and development programs—

Mr. Speaker: Order. The hon. member's time has expired.

• (2100)

Mr. John M. Reid (Kenora-Rainy River): Mr. Speaker, I have been paying attention to this debate and I want to commend the opposition for having raised this particular subject. I would have thought they would have taken advantage of the opportunity to display their knowledge of the subject and to provide alternatives to the existing programs of the Department of Regional Economic Expansion. Unfortunately, they have been barren in their speeches in putting forward possible alternatives. They really come down to merely repeating monotonous criticisms as if they actually believe they are true.

Mr. Alexander: You did not listen to my speech.

Mr. Reid: When people do not have anything to say, they tend to repeat themselves over and over again so that the full weight of their ignorance can be displayed.

This motion suggests that the Department of Regional Economic Expansion, along with all the other incentive programs that are operated by the federal government, have failed to stimulate production and trade. Yet we know that according to the most recent monthly report to Parliament, the net accepted offers under the Regional Development Incentives Act have helped to induce in the designated regions of Canada planned capital expenditures in manufacturing facilities totalling over $1.2 billion.

In addition, the motion also suggests that the incentives program has failed to open up increased opportunities for productive employment. Yet according to the same monthly report, a copy of which all hon. members of the opposition have had, including the hon. member for Hamilton West (Mr. Alexander), the projects supported by accepted offers of grants under the Regional Development Incentives Act are expected to create almost 59,000 direct, new jobs. If anything, this is a conservative estimate because it makes no allowance for off-site jobs directly related to assisted projects or for the indirect or multiplier effects on employment, though economists are generally agreed that these are of significant benefit.

We all know that the Department of Regional Economic Expansion was created in 1968 to do a number of things. First of all, it was designed to bring under one roof a melange of programs that had been built up, such as ARDA, FRED, the Atlantic Development Council, and so on, in order to try to provide some measure of co-ordination and to make sense out of a variety of approaches that had been developed to meet ad hoc needs.

In addition to the new act that was passed, the government introduced an incentives program to deal with disparity existing between the rich and the poor regions of Canada. Basically, the rich areas of Canada are Ontario, the strongest and richest province of all, British Columbia and Alberta. The main focus of the program was to be on the maritime provinces and that part of Quebec east of Quebec City, including Trois-Rivières.

A look at the figures reveals precisely what the government has done over the last four years. Let me give the House an example. Breaking down the budgetary figures for the Department of Regional Economic Expansion in the year 1971-72, out of a total of $410 million, 42 per cent was devoted to the Atlantic provinces of Newfoundland, Prince Edward Island, Nova Scotia and New Brunswick, to an amount of $172 million. In the province of Quebec, 26 per cent of the total budget was spent, amounting to approximately $100 million. In the western provinces, 18 per cent of the budget was spent, amounting to $73 million. In Ontario, 8 per cent of the budget was spent, to a total of $32 million.

Looked at on a per capita basis, this expenditure becomes much more interesting. In the Maritimes approximately $85 per capita was spent by the Department of Regional Economic Expansion. On a per capita basis the figure drops to about $18 in the province of Quebec, to about $14 in the western provinces and to about $5 in Ontario. So I think these figures bear out the claim that the government has concentrated its funds where the greatest need and largest area of unemployment has been historically, and still is today; areas where there are extremely severe structural problems both in regard to long-term employment opportunities and in terms of an economy that is losing some of its natural resource base. There is no easy way out of this problem, but I think the government has taken a great deal of unnecessary political criticism for doing precisely what it said it was going to do in order to deal with what is clearly a distinct problem that is unique to Canada.

I should like to make a number of criticisms of this department as I have seen it in operation, notwithstanding the fact that it has been very useful. My criticisms are threefold. The first has to do with the way in which the department was established. When the act was passed establishing the department, a great deal of power was concentrated in the hands of the minister. The argument for this was that it would allow the minister to be more flexible, that it would allow the department to be more flexible, that it would allow programs to be tailor-made for all areas of Canada.

What has been the result of this? In my opinion the department has become the most regulation-bound and least flexible of all departments of government. The reason is that too much power is concentrated in the hands of the minister. The minister is afraid to use his power and to be as flexible as he would like because of the severe political barrage he has been under from mem-

bers of the opposition during the last four years. What members of the opposition have succeeded in doing is to destroy whatever flexibility was built into the act, and consequently we now have a department that has all the appearances of being able to travel at a fast speed but which in point of fact has a governor on the throttle, which makes the department travel at 50 miles an hour whereas it should be travelling at 150 miles an hour.

It seems to me that the original concept of the department, one that was accurate and precise, of flexibility has given way to political reality and in the result we now have a department that is far less flexible than we desire. It may well be that we should begin to look again at this whole concept and perhaps remove this built-in flexibility so that, paradoxically, the department can be made much more flexible in its approach.

Another criticism that I have is that the incentive program is designed in a way that favours large corporations, not only with regard to the $600,000 application level but also, and perhaps more importantly, because of the way the department have structured their application procedure and the way in which they decide who shall and who shall not receive an incentive grant. This places host communities in a rather unfortunate position. It is true that before a large company comes into an area, the area is suffering from lack of employment opportunities. However, when a sufficiently large company locates in the area, the employment opportunities that are opened up are of a limited kind, usually semi-skilled or unskilled, and perhaps a few skilled positions. But participation in the managerial exercise of operating the company is a prospect that is denied to the community, for the people who run such an organization are imported; the local people do not penetrate the higher echelons of the company.

In other words, while we are providing employment opportunities of a limited kind that are welcome, needed and desirable for the area, in point of fact we are not providing opportunities for communities to develop a cadre of local people with initiative who are sufficiently skilled to set up other businesses in the area. One of the effects of this is that the community that a company enters is left the poorer because there is no opportunity to develop that high level of expertise for which modern management calls. Thus, the host community does not strengthen the economy of the country.

It seems to me that the Department of Regional Economic Expansion, in conjunction with the Department of Industry, Trade and Commerce, ought to be paying far more attention to the encouragement of local entrepreneurs. It is often said that three factors are required to make business work—land, labour and entrepreneurship. Unfortunately, in many communities, such as my own for example, the level of entrepreneurship is not highly developed. The dilemma that these people face in obtaining sufficient markets for their products is almost overwhelming.

• (2110)

Unfortunately, because of the way in which our system operates the smaller operator is not given the opportunity of getting that extra expertise. It strikes me there are two approaches to be taken here. One is a management development program in the Department of Industry, Trade and Commerce, and particularly restructuring in such a way that grants to smaller firms could be handled through the Department of Regional Economic Expansion.

It seems to me this could be done in a number of ways. First of all, by expediting grants and demanding, perhaps, less completed work. If you are applying for a loan at the present time, you must have gone to a bank or financial institution for the money in order to get into commercial production. It would be a lot simpler if you were to give smaller operators the money as their plants were in the process of developing, thereby cutting down the expenses they have to incur in order to get loans from Canadian commercial banking facilities.

I have one more point to make. It concerns both large and small companies and their relationship with the Canadian financial community, particularly the Canadian banking system. At the present time these companies which come in with non-Canadian financial support are treated in exactly the same way as those which come in and make an application to DREE with only Canadian financial support. I argue that this discriminates against the company that comes in with only Canadian financial support.

We all know that it is a fact of life that in Canada the financial community is not sufficiently strong to give these people enough financial backing. If you treat those who come in with strong, solid United States financial support in the same way as you treat the companies who have only Canadian financial support, the one with U.S. support will be much stronger. The Canadian financial system is not sufficiently strong and is not prepared to put the kind of money that has to be put into these areas covered by DREE.

I am told that these companies are perfectly sound in that they are building big banking buildings in Toronto and Montreal. But our banking system is perfectly lousy when it comes to financing secondary industry in the outer fringes of Canada, particularly in those areas designated under DREE. Therefore, it seems to me that any company coming to the Department of Regional Economic Expansion with the misfortune of having its financial support in Canada ought to be given a special grant under DREE, perhaps an increased grant of 15 per cent to 20 per cent would be an appropriate figure, in order to help compensate that company whose only source of capital is Canadian.

This is one of the traditional problems of the outer fringes. They are unfortunately faced with lack of capital to begin with, and when they do get that capital it is not even sufficiently strong that the financial institution will support the project to the bitter end, even if it does involve making money. The Canadian banking system is perfectly able to cut losses and run.

In making these criticisms I certainly do not want to deny the very good work the department has done. I do want to point out that to some extent the restriction in terms of secondary industry limits the effectiveness of operations in northern Ontario and northern Quebec where it is not likely that a strong secondary manufactur-

ing industry will suddenly emerge. It seems to me that if we are going to provide assistance through the federal government to these areas, we will have to widen and improve the opportunities available under DREE. For example, I would suggest expanding the section in respect of secondary industry to include tertiary industries such as the tourist industry, hotels and motels in these regions, because this seems to be one of the bright spots in the growth pattern of these particular regions.

Mr. John Burton (Regina East): Mr. Speaker, I think it is very useful that a motion has been brought forward today which attempts to take an over-all view of the whole range of the government's incentive programs as they are applied through a number of government departments. It can be said that the government's incentive programs do not represent a co-ordinated or a planned program and this is really one of the basic deficiencies. What we have is a patchwork approach which involves the constant plugging of loopholes.

Usually these programs brought forward represent a response to a particular problem or situation. In every case we see demonstrated the government's faith in the infallibility and reliability of private corporations to keep the economy healthy. I suggest there is a very basic conflict in government involved in this situation. On one hand we see that it still wants to demonstrate its faith in corporate capitalism, while on the other hand it has to recognize that it cannot escape the fact that in today's world government must accept final responsibility for the performance of the economy. Of necessity, and no matter whether the government likes it, there has to be a degree of government intervention in the economic affairs of the nation.

Tonight I should like to deal with one particular aspect of the government's incentive program, namely, that carried out through the Department of Regional Economic Expansion. We see in this department one of the best examples of the folly of the government's approach. This department, which was created in 1969 in keeping one of the promises made by the Prime Minister (Mr. Trudeau) during the last federal election campaign, was designed to do something about the problem of regional disparity in Canada. Over the past three years this department has spent $1.2 billion, and during the current fiscal year it will incur an expenditure of another $500 million. Certainly this department has not had to contend with any restrictions in its budgets. It should be noted that the expenditures to which I refer include millions of dollars spent on programs the government now admits it has to overhaul or has had to overhaul.

Perhaps I should first make reference to some comments of the Parliamentary Secretary to the Minister of Regional Economic Expansion (Mr. Roberts). I took careful note of his comments. He was rather critical of our criticisms about the lack of progress in overcoming regional disparity. I think I quote him correctly when I say he suggested that this will take a period of years. None of us has any quarrel with that statement, but surely after three years in operation and the expenditure of the sums of money I have mentioned we have cause to take a look at the progress being made by the government? Is it making any progress in overcoming regional disparity?

We want something in the way of a progress report. On any number of occasions evidence and information has been given to this House to show that the governments policy is not solving regional disparity.

I took note of what the parliamentary secretary said about Professor Springate's testimony before the regional development committee this spring. The comments of the parliamentary secretary represent the first objective analysis of that presentation that I have heard from anybody on the government side of the House. I want to make it clear that I am not necessarily holding a brief for the comments of the hon. member for St. John's East (Mr. McGrath), but I would have to agree with what the parliamentary secretary said, that one cannot draw conclusions from Professor Springate's study. Rather, he opened up areas which require further study and investigation. He posed some very serious questions about the operation of the department which require further analysis.

After Professor Springate presented his critical analysis to the committee, with all the qualifications outlined by the parliamentary secretary, the Minister of Regional Economic Expansion (Mr. Marchand) and government members on the committee did everything they could to belittle Professor Springate's thesis and the PhD he obtained at Harvard University. As a matter of fact, their efforts went to the extent of even calling into question the qualifications and capabilities of the tutoring he received in writing his thesis at Harvard University. That is how desperate government members were to discredit this person who made such a useful contribution in an examination of the government's program in respect of this department.

• (2120)

I think the principal area of criticism of the department's program concerns the industrial incentives program carried on under the Regional Development Incentives Act. This, of course, received top priority in the department's program. In many ways it has been the cornerstone of the department's program. Under this act $250 million have been committed by way of special grants to the end of April. I suggest that the program has been disastrous in its over-all impact. It has not made any significant contribution toward overcoming regional disparities.

I want to make clear that I do not question that there is some place for an incentives program. But if we are to get the best possible value for our money, I suggest such a program should be developed within the framework of a well planned, national, economic plan. I suggest there have been many harmful and inadequate features of this program. In the first place I think it has had the effect of distorting, ruining and hampering many of the other worth-while programs which are being carried on by the department. The industrial incentives program has had top priority on the basis of the minister's statements and on the basis of statements by officials of the department. There have been lavish handouts to industry.

There are other programs such as the Multiplex program in New Brunswick which we would like to see given greater priority, and the agriculture service centre program in the Prairies. These are the type of programs which could make a basic contribution toward establishing a better economic framework to enable the various

regions of Canada to overcome the disadvantages they now face.

What happens? In dealing with some of these other programs which are worth while, the department haggles over a few thousand dollars in carrying on negotiations or in reaching agreement, while on the other hand it gives out money by the bucketful to private industry in the giveaway programs. I suggest that if there were more emphasis on infrastructure programs, more planning, more co-ordination and more emphasis on programs of social adjustment, we would have better results.

Certainly we must criticize the passive nature of the program. We wait for private corporations to take the initiative. This program is based on the premise that if given encouragement, private industry will do the rest of the job. In many instances private corporations have created the problem the department is now attempting to correct. There is no plan of action either for regions of this country or for the country as a whole. No program can succeed until there is an adequate framework. We have called for this ever since the department was formed.

I suggest we must criticize this program because of the grants to foreign-controlled firms. I think it has been demonstrated through government studies and various evidence that the high degree of foreign ownership in our country has in fact contributed to regional disparities. It has not helped some of the disadvantaged areas and in fact it has contributed to disparities. Now we find, on the basis of the legislation which is being brought forward, that we have a continuance of handouts to foreign-controlled firms to carry on business as usual.

After a long study we have had the Gray report brought before the House. Then we have the measly foreign takeover review bill which is now before the committee. Let us look at the implications for the regional development program with this foreign takeover review bill. I ask what foreign concern, what foreign firm, would want to take over or merge with another Canadian firm when it can expand its present operations or start new operations with the type of generous help it can obtain under our Regional Development Incentives Act? In addition, they have over half the country to pick from when choosing a location for their operations. The government has completely ignored this, while even the province of Ontario has eliminated its forgiveable loans to foreign-controlled firms.

I suggest that we look at the nature of the program itself and what is happening to it. First, I believe it has become clear from evidence presented that all that happens is that the program speeds up decisions which would otherwise have been taken by firms: it does not affect the basic yes or no decision; all it does is have some influence on the timing. More than that, I raised the question of the legality of the grants, because section 7 of the act specifies that no development incentive may be authorized if it is probable that the facility would be established, expanded or modernized without the provision of such incentive.

Two deputy ministers have said that grants are merely likely to accelerate decisions rather than affect a negative decision. The minister has told us that no legal opinion has been obtained from the Minister of Justice (Mr. Lang) on whether grants can be given under these circumstances, and he gave no undertaking that such legal opinion would be given. In addition, it states in the legislation that grants can be given on the basis of the creation of jobs. I understand "creation of jobs" to mean the bringing in of new jobs which were not there before. In other words, it means that something new is to be done to develop the country.

We find, however, that in some instances this is not the case. This came to light last week when I asked questions in the House of Commons concerning a grant given to Maniwaki Forest Products Limited. I want to make it clear that I have great sympathy for the situation in Maniwaki. I know this situation has concerned the people in that community and their representative in the House of Commons, my friend the hon. member for Pontiac (Mr. Lefebvre), who certainly has attempted to do something for his constituency.

I raised this matter in the House of Commons last Thursday because it was stated by the manager, in spite of the announcement that 74 new jobs would be created, that he did not know anything about 74 new jobs and all he knew was that the 74 jobs which are now there will be retained. I asked questions in the House about this and dealt with it during the adjournment debate; therefore I shall not go into the background. I am not questioning the validity of providing help to this firm, but I am questioning the basis on which the government gave $1,500 for each of the 74 jobs that were to be created by this project. I submit this is false, on the basis of the act under which grants are provided.

An hon. Member: You are all wet.

Mr. Burton: The fact, as I have said, is that I have no quarrel with the argument that assistance for this firm is valid and warranted. What I am questioning is the way in which the minister is operating this act, because I believe he is bringing the whole program and the administration of the act into question by the manner in which he is applying it. Not just in this particular case; I am not picking on this particular case. There are a number of cases. The minister and many members on the government side, including the hon. member for Kenora-Rainy River (Mr. Reid) said that through the program under the Regional Development Incentives Act, 59,000 new jobs have been created and not just kept in existence. No new jobs were created in that case and I suggest we should look at the operation or we may have other problems in respect of the administration of the act.

• (2130)

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I was very interested by today's speeches and I am rising for a few minutes only to remind my colleagues of certain facts which they seem to have forgotten.

The government tabled today a summary report of the Prices and Incomes Commission, on inflation, unemployment and economic policy. This report states and I quote:

As compared with most countries, there is in Canada an extremely high number of young people entering the labour market and meeting great difficulties in finding adequate full-time

occupations; moreover, a high percentage of workers are salaried people. A high turnover rate and the seasonal nature of employment are further characteristics of Canadian labour markets. And yet we believe that the most important and baffling aspect of this problem is the continuance of regional disparities in unemployment in Canada.

This is a contradiction and a condemnation of what was said today in connection with government policies or initiatives to create employment.

The statement on page 7 is significant:

Moreover, the possibility of ever increasing inflation will exist if people and their elected representatives have an exceedingly optimistic vision about the extent to which this critical unemployment phase has been reduced.

I therefore appeal to reason and realism.

Finally I would like to quote a last sentence condemning the culprit. I am quoting from page 12:

Since governments are responsible for the whole administration of our economy, it is obvious that if they allow any excessive inflation of demand, they must bear the responsibility, whatever might be the direct impact of public expenses as such.

Mr. Speaker, this is something that should give us food for thought.

I said I will not take very long. I wanted only to remind my hon. colleagues that they have all received today a copy of this publication, in both official languages, and that we should well understand that the so-called twin problem of unemployment and inflation still persists in spite of the $578 million granted under the special government program aimed at creating employment and the actions and efforts he has made to this effect.

The government has trodden the wrong path and, today, we recognize that it is mistaken, that it has travelled the wrong track since it favoured an increased production while this has already reached the $100 billion mark, according to information published today by a Montreal newspaper. The problem does not exist at the level of production, but at the level of the ability of Canadians to market it.

I have said and I repeat, Mr. Speaker, that the problem in Canada is not one of production or of creation of jobs, but one of consumption. Canadians should have enough purchasing power to buy the products available on the market.

The global purchasing power, the total income of Canadians amounts to $67 billion and the gross national product $100 billion. How is it possible to buy a production worth $100 billion with $67 billion? That is mathematically impossible, Mr. Speaker, and as long as the government will continue to increase those $100 billion and refuse to spend as much effort to increase the consumption power, it will always find itself in the same situation as it is now.

During the weekend, Mr. Speaker, the Minister of Regional Economic Expansion (Mr. Marchand) said at the Cabano in front of 2,000 persons that he could not meet their request for the establishment of a pulp and paper plant. He told them that he was not sure, according to the studies which he had, that those products alone would sell on the market. Yet, that same government asked those very workers to invest in that industry, to set it up to replace Irving.

[Mr. Fortin.]

Mr. Speaker, today the government says: We cannot help you because we are not sure. Why is the government not sure? It is sure Canadian workers can work, that the goods, the equipment are there. The workers even invested $700,000 of their savings in that new company. The government is not sure the goods will sell on the Canadian market.

If, Mr. Speaker, the problem does not lie in the hearts of the workers of Cabano, in the equipment, in the pulp and paper, but obviously, as the minister said, in the demand, then why not invest as much in the demand as has been invested in the production in the last three years?

Mr. Speaker, there are not two ways open. Again recently, the government announced the sale of bonds for a total of $400 million, asking Canadians to invest in their country. Here is the saddest and, in a way, most extraordinary part: the government sells this $400 million worth of bonds strictly in order to pay back the bonds which have now matured. This means that this government's whole financial policy consists in borrowing in order to pay its old debts, so that the debt of the country, that of the provinces and that of individuals grow heavier.

As a consequence, no matter how many millions the government throws right and left in order to have a clear conscience, it remains that poverty will go on increasing in Canada, that regional disparity will still be an awful reality, that those programs will be nothing but plasters applied to little sores, to what shows most, while obviously nothing will be done about the underlying disease which causes those superficial sores.

Mr. Speaker, we of the Social Credit party do not want to play politics by taking up any more of the time of the House with this matter. I ask my colleagues to give serious consideration to the fact that after four years in power, after establishing boards, one of which condemns it today, after encouraging production in order to curtail inflation and unemployment, the government has met with complete failure.

Several million dollars are paid out to Canadians in order to try and reduce unemployment and inflation. If Parliament is acting in good faith, let it then give to Canadians the opportunity of really sharing in the economic growth of their country so that they may afterwards share in its social development, by giving the Canadian people what is lacking to dispose of the production which we are so anxious to increase, that is the illogical and unacceptable gap between the total national income and the gross national product. If the government ever understands this, we will eliminate the regional disparities from coast to coast, because we will have given to every Canadian, regardless of his language, an equal chance to really participate in the economic growth of his country.

In conclusion, I point out that the motion moved by the Progressive Conservatives blames the government for its failure to stimulate production. This motion makes me laugh because the Conservatives today blame the Liberals for failing to do what they themselves have not done, and they cast a stone at one another.

I hope that in the near future solutions will really be produced in this House, instead of mere criticisms. The

Social Credit party suggests an effective solution: giving Canadians sufficient purchasing power to dispose of the production which I trust Canadian industry will supply.

• (2140)

Mr. Florian Côté (Richelieu): Mr. Speaker, today's proceedings emphasized all the shortcomings of the present government as a result of a motion brought forward yesterday. I became aware of it only at noon and I saw that it blamed the government for its inability to face its responsibilities during the past four years. In fact, it is said that the money made available to industry for the purpose of coping with regional disparity had not successfully settled the problem of unemployment.

I know there are problems, those which every country has to face for its development are similar to those we have in Canada. However, the Minister of Supply and Services (Mr. Richardson) mentions the efforts made by the Canadian government in the field of employment and in this field we are second to no other country. We have made noble endeavours even though we still have a long way to go. In fact, if it had not been for the present government, the unemployment rate of 6 per cent—which some like to bring up to 7 and 9 per cent—might be 10 or 15 per cent as in other countries.

If we consider some of the formulas suggested today by the movers of the motion, I do not see there, if I understood well, any real solutions; they merely pointed out what they think is wrong with government policies.

Industry was blamed because it did not do well enough in Canada. But industry—and this is normal—is somewhat like a human being; it is born, it can be sick and it can die. What can the State do to avoid this difficulty? It establishes and tries to establish industries in depressed areas in order to keep there those who are seeking a job not too far from their environment.

Therefore, we try to create some new industries. In fact, I have not heard a member of the opposition criticize this policy of the Department of Regional Economic Expansion, nor have I heard of anyone refusing the grants and saying: "I refuse these grants because they are not advantageous for my area" Opposition members knew as well that it was impossible for the government to fill up everything it wanted to and that there would still be a bit of room for criticism.

I was somewhat disappointed to hear the hon. member for Kent-Essex (Mr. Danforth), of whom I have a very high opinion, begin his speech by saying that he was tired to hear members of the present government repeat what the government had been doing. It is unfortunate that he be tired, Mr. Speaker. I would like him to get some rest, so that he may come back to us in form, after the next election which will certainly take place within a year. I wish he will not be tired enough to fall apart during the election period, because I have a lot of respect for him. If he came back, he might be of some help to us.

He mentioned in his speech the weakness of the agricultural policy as well as the program concerning industrial investments. Now, I noted, during the meetings of the committee on agriculture, which I attended whenever possible, that a proportion of Canadian industries are not as flourishing as I would like them to be, but that they had made tremendous progress, despite the very difficult conditions that agriculture, in every part of the world, had to suffer. We can be proud, as Canadians, to have an agricultural industry that survived somewhat better than elsewhere.

But in order to make this industry even more flourishing, we introduced truly good measures, and provided the establishment of the Marketing Board. Even if my colleagues from the Social Credit party opposed this bill from the beginning, they were compelled to approve it later because farmers have exerted pressures in order to have it passed as soon as possible. This bill was passed within less than one year. We might then have spared this industry some difficulties, assisted it with more effective marketing of products, given farmers a greater purchasing power, as my hon. friends from the Social Credit party usually say. We wanted to do so, but it was not always easy, because the government's policy was ill-understood by the opposition. I would not blame them, because everyone does not possess the ability to grasp and understand the meaning of everything. However, had we enjoyed a little more cooperation there would be fewer hon. members complaining in the House and our constituents would feel a little more proud of us. I admit all these weaknesses.

Mr. Speaker, I am a bit inclined to talk about the Social Credit party, and the reason is not that the other parties are brighter, since they did not show any recognition of the government's efforts. The leader of the Social Credit party for Canada (Mr. Caouette) has not even dealt with the motion. He preferred to rave about the Bank of Canada and his own philosophy, and ended his speech by asking us to play "Social Credit" even though the hon. member for Lotbinière (Mr. Fortin) thinks that we do nothing but play in this House. Nobody would forgive us that kind of game.

I feel we must not misinterpret statistics if we are to come to the right conclusions. I fear that the hon. members whom I had already asked to give me figures may misinterpret them. I saw two possible interpretations. Either those figures were misunderstood, or their full meaning was not grasped. I was right. All this came up in the agricultural committee, where I did a great deal of work, as well as in the committee on finance, trade and economic affairs.

After dealing with agriculture, I will now turn to the question of grants during the few minutes which I have left.

My constituency has taken advantage of our programs, although no more so than other constituencies in the country. I was a bit hurt at hearing today the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) criticize the government for investing several million dollars in Eastern Canada, while it failed to do the same for Western Canada.

Mr. Speaker, whenever a committee sits, or this House discusses a bill, we are given the chance of helping any part of the country. I went out of my way last spring to urge this House to vote as soon as possible the $65 million to be given as grants to the Western Provinces, for I was convinced that Western Canada needed that money more than any other regions. However, whenever Eastern

Canada obtains some grants, the sword of Damocles is dangling over our heads, which is deplorable.

In my constituency, industry and commerce are perhaps thriving. The shipyards, thanks to the new policy of the Minister of Industry, Trade and Commerce (Mr. Pepin), have provided employment and are in a position to compete against many others who are unable to outdo us. The reason is that in my constituency the government has carried out a policy which makes it possible to meet labour costs and which has created 3,700 jobs last year alone.

I do not therefore understand why we do not give more serious consideration to the programs set up by the government. When government members rise in this House, I wish they could have at least 30 or 45 minutes. This might be fastidious for those listening to us, but we could then at least once or twice a year, tell opposition members what the government is doing and they could in turn go and ask their constituents whether they are really satisfied. Then, the farm organizations which visit the ridings of opposition members—which I, for one, did—would not be so disappointed to find out that citizens are not informed at all about all that the country is doing for them. This is deplorable, and I do think that those who are indulging in political games in this House may soon find out that the achievements of this government prove that the motion introduced today was in no way justifiable.

• (2150)

[*English*]

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, I shall take part in the debate briefly because the area that I represent feels that it has been disadvantaged by the application of the DREE legislation. In this area we feel that we suffer from unfair competition, with many other parts of the country, because of this government's transportation policy. Our railroad costs are high, and now we feel our problem has been compounded by the DREE program.

Many of the points I wish to make have been covered, some of them very well, by the hon. member for Kenora-Rainy River (Mr. Reid). In his forthright manner he has a habit of hitting the nail on the head. It was refreshing to have him come out with the honest statement that the DREE legislation was drafted in an effort to discriminate against wealthy areas. As I have said, the people in the area I represent feel that DREE discriminates against them. I think this is completely wrong, Mr. Speaker. Abraham Lincoln was right when he said over a hundred years ago, and I paraphrase him, "You don't necessarily help the poor by tearing down the rich". I would point out to this government that tearing down the "have" parts of the country does not necessarily build the "have-not" parts in view of the conflicts that take place and the wasted effort.

A few nights ago, during private members' hour, the hon. member for Lanark-Renfrew-Carleton (Mr. McBride) introduced a bill. He told us that in Carleton Place, which is a non-designated area, the Findlay Foundry has shut down completely, with a loss of 200 jobs. It transferred its production to the province of Quebec, in a designated area. Ostensibly, 200 jobs have been created in Quebec but of course there are 200 less in Ontario, so the net gain to the nation as a whole is nil. Indeed, the net loss to the nation as a whole, in my humble opinion, would be the amount of the DREE grant.

I read in a newspaper recently of a $685,000 grant to Catelli Foods, a subsidiary of the American firm, General Foods. This grant was to enable them to build a plant to produce tomato paste from tomatoes imported from Portugal, Spain and Yugoslavia. Mr. Speaker, the area I come from is one of the prime tomato producing areas in Canada, but there it is impossible for a farmer to get a contract to grow tomatoes. However, the government is now subsidizing a company in Montreal to process imported tomatoes.

Farmers from my area have been coming to Ottawa to meet with officials of the Department of Industry, Trade and Commerce and the Department of Agriculture in an effort to re-establish the sugar beet industry. So far they have not been successful. But there is some discussion of a new sugar refinery to be built at Cornwall, Ontario, which is a designated area, in order to process imported cane sugar. That mill might have gone to Oshawa, Ontario, except that Oshawa is not a designated area. These are the things, Mr. Speaker, that lead the people in my area to feel that we have been discriminated against and, as the hon. member for Kenora-Rainy River pointed out tonight, perhaps this was the purpose behind the legislation.

In the 30 seconds remaining to me I should like to ask some questions about the Opportunities for Youth program and the Local Initiatives Program. What is their purpose? Are they make-work programs? Are they to be permanent? I do not criticize them except to say that I am afraid in many instances they do not encourage positive production. If we had a booming economy, perhaps then we could enjoy that luxury.

May I call it ten o'clock, Mr. Speaker?

PROCEEDINGS ON ADJOURNMENT MOTION

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

ENERGY—POSSIBLE PIPELINE THROUGH EASTERN ARCTIC—ASSURANCE OF MAJORITY CANADIAN OWNERSHIP—HYPOTHECATION OF GAS TO UNITED STATES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, on June 7 last, as reported at page 2937 of *Hansard*, I asked the Minister of Energy, Mines and Resources (Mr. Macdonald) two questions with respect to the operations of Panarctic Oil Company Limited. As hon. members know, this is one of the commendable things which the Minister of Veterans Affairs (Mr. Laing) accomplished when he was minister of Indian affairs and northern development. He set up a consortium of Canadian companies with the government of Canada, which has enabled the Canadian people to hold 45 per cent of the equity in Panarctic Oil Company Limited.

• (2200)

Unfortunately, its operations have been completely shrouded in secrecy. We have not been able to get a copy of the TENNECO agreement under which gas has been hypothecated for export to five American companies. We have not been able to get information about farmouts of some property owned by Panarctic to various other companies.

The two questions I want to ask about this matter are as follows. Since Panarctic has announced that it now has sufficient gas in place to warrant doing an aerial reconnaissance with a view to building a pipeline, who is to build that pipeline: will it be Panarctic? Also will the people of Canada have a 45 per cent equity in that pipeline, apart from any loan capital which may be involved—I am dealing now with equity capital—or is another consortium to be formed in order to build the pipeline and obtain the main benefit from any gas found by Panarctic Oil: will the Canadian people find that the money they have put up to develop Panarctic is to benefit mainly some other consortium?

Also, I want to know what disposition will be made of the gas in the event that it is found, that the pipeline is feasible and that the supply of gas in place is adequate to justify the construction of a pipeline. An article in the *Globe and Mail* of June 2 which refers to the aerial reconnaissance Panarctic has undertaken reads in part as follows:

> Mr. Hetherington said market considerations indicate that much of the gas involved would go to the United States.

Mr. Hetherington is president of Panarctic Oil. I want to know if the Canadian taxpayers are to be asked to put their money into the expansion of Panarctic Oil. Are we to be asked to put up money for the building of a pipeline in order to hypothecate gas to the United States when, according to the annual report of the National Energy Board, as of June 30 last year there was a deficit in our reserves of natural gas of 1.1 trillion cubic feet?

It will be useless for the parliamentary secretary or a minister of the government to tell me that this matter will be decided when this question is heard by the National Energy Board. The National Energy Board can only deal with those who make an application. If the application is made by a consortium of companies apart from Panarctic Oil, or by a consortium in which Panarctic Oil and the government have a small equity, all the board can do is say yes or no.

The government has the responsibility, first, for deciding what its policy is to be. Is it to continue maintaining a 45 per cent equity not only in Panarctic but in the pipeline as well? Second, it has the responsibility for ensuring that this gas is retained in sufficient quantities in Canada to meet the needs of Canadian gas consumers.

Mr. Benjamin: That will not happen if the Liberals have anything to do with it.

Mr. Douglas: We all remember what happened one year ago last October when the National Energy Board allowed the export of 6.3 trillion cubic feet of natural gas to the United States. A year later it was raising its hands in horror because we had to ration gas and were unable to take orders in certain parts of Canada for customers who wanted gas.

Mr. Benjamin: Shame.

Mr. Douglas: So we have a right to know in advance what the government's policy is to be. If the government does not know, if it is just blundering in the dark, it should tell us. I for one will keep insisting that the government tell us what is going on in connection with Panarctic Oil. So long as that venture was a doubtful proposition, there was no objection on the part of the oil industry to the government's putting up 45 per cent of the equity. Now that Panarctic has come across what promises to be one of the best gas finds in the world, I suspect the government is likely to be crowded out of the picture.

I want a definite statement from the government to the effect that it will stay in the picture, that the Canadian taxpayer will have an equity not only in Panarctic but in the pipeline, and that the gas will be hypothecated mainly for Canadian requirements and will not be diverted before Canadian needs are adequately met.

Mr. Lloyd Francis (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, the questions raised by the hon. member are at this stage hypothetical. As soon as a specific application is placed before the National Energy Board for the Development of a pipeline, the board will need to make certain decisions. The first decision it will have to make is whether there is sufficient gas for Canadian requirements and for export. This decision will be made in light of the best technical knowledge available and there is no reason to question the competence of the board in this respect. I note that the hon. member did not do so.

Mr. Douglas: The board cannot make policy.

Mr. Francis: The fact is that the decision will be made in the first instance by the National Energy Board. After that decision is made, the question of the merits of the application before the board will have to be considered.

The government has made abundantly clear, through its participation in Panarctic and in other ways, its concern for Canadian ownership in the pipelines which will ultimately be built to bring gas and oil from northern Canada. At the time the applications are received it will be the responsibility of the Energy Board to make a recommendation. In the first instance this recommendation will come from the board and then the government will have an opportunity to review the situation. It is certainly premature at this time to announce in detail, as the hon. member apparently anticipates, what policies will be followed. Only a general outline of the principles followed by the government can be given at this stage.

TRANSPORT—RESPONSIBILITY OF RAILWAYS TO PEOPLE OWNING LAND ALONG LINES ON WHICH SERVICE ABANDONED

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, I raise a matter tonight pertaining to my question this afternoon to the Minister of Transport (Mr. Jamieson). In effect, I asked him whether permission

given to the railways to abandon service and rights of way also implied permission to abandon their responsibility toward farmers and landowners with respect to the maintenance of fences and drainage and the cutting of weeds.

I speak tonight on behalf of thousands of Canadians who have been inconvenienced and financially wronged by the frequent failure of the railways to fulfil their responsibilities to the farmers and landowners along rights of way when it comes to the maintenance of fences. I speak especially on behalf of farmers and landowners in the counties of Lanark, Frontenac, Lennox and Addington, as well as Hastings, whose properties border the now defunct and abandoned CP line from Glen Tay to Tweed.

I say to the minister, through you, Mr. Speaker, that when Mr. Pickersgill and his Canadian Transport Commission, or the Canadian Railway Transport Commission, both of which bodies adjudicate with respect to the abandonment of railway lines, allow railway companies to abandon a line, they should not allow them to abandon their responsibilities to their neighbours along the line. Robert Frost said that good fences make good neighbours. This is true. I have received many complaints from local farmers about the poor condition of the fences, as a result of which cattle stray and are lost. They complain that the railway no longer keeps the fences in order, that it no longer does its share of repair work. One man lost two head of steer.

When I drive along the right of way which is adjacent to No. 7 Highway I think of this strange, new, slack society of which this government is part, and the strange anomalies which result. Here we have a multibillion dollar corporation like the CPR—I used to be one of its great admirers, Mr. Speaker, having spent my early childhood in a community served by that line at Kaladar—branching out into many other lucrative lines of business, luxury hotels, mines and smelters, airlines serving the world, but taking a cavalier and careless attitude to local responsibilities. Fence posts are allowed to rot and break off. In addition, the company neglects to cut the weeds and the seeds are allowed to spread to adjacent farms.

Throughout the area, municipal councils are very concerned about this situation as are the conservation authorities, in particular the member municipalities of the Moira Conservation Authority. The representative for Kaladar township, Mr. Claude McArthur, has given me information in this regard. It has also been pointed out that the railways, along abandoned lines no longer devote any attention to drainage or to keeping ditches and key water courses operable and open. This complete dereliction of duty can no longer be tolerated by the neighbouring farmers and landowners.

• (2210)

Some time ago it was brought to my attention that the CPR intended to give this right of way to the Ontario Department of Lands and Forests to operate as a snowmobile trail. Who would then be responsible for the fences, Mr. Speaker? I cannot go along with this scheme because I do not think the stretch of right of way is adaptable for this purpose. I say that the land should be returned to the farmers and landowners along the right of way, each one to receive the land that fronts along his property.

I do not know what the railway paid for this land in 1880 when their charter was granted, but it should be given back to the farmers for a nominal fee of, say, $1 per parcel to make it legal. Then they could join up their fences across the right of way and have use of what is their land just as their forefathers did before the building of the railway. In that respect, Mr. Speaker, I remind the minister that the deeds to the farmlands pre-date the federal charter to the CPR for this line. Moreover, the right of way land, because of its present condition, is not worth as much as before the line was built.

I respectfully ask the minister to convey my thoughts to the CRTC, the CTC and the CPR in order that this inconvenience to my constituents may be allayed and that justice for them may be obtained.

[*Translation*]

Mr. Gérard Duquet (Parliamentary Secretary to the Minister of Transport): Mr. Speaker, as the hon. member is proficient in both languages, he will certainly pardon me for replying in French, as he will easily understand my explanations.

As the question he asked today was much more general in scope than that which has been discussed tonight, my answer will not be as precise as he would have liked it to be and as I should myself have wished to make it.

In the meantime, I have been able to contact the officials of the Canadian Transport Commission to check on the limits of its jurisdiction in view of the right of ownership which could affect the discontinuation of railway transport.

When a railway is in operation, it is required by statute—in this case, under section 214 of the Railways Act—to put fences on each side of the track in order mainly to prevent animals to wander into the railway's property.

I want to make it clear that the matter involves farm lands located in rural areas. The purpose of this measure is to protect the land owner. The railway company is also responsible for destroying weeds on its own property and, in some circumstances, it must also insure the protection of animals.

Mr. Speaker, before the Board allows a rail service to be discontinued, it must bear in mind the representations made by the land-owners as well as by any other persons living along the railroad, who believe they are entitled to some consideration.

The major factor is that the abandonment of a rail line cannot affect the rights and responsibilities of farmers nor those of the railway company, since they are joint owners.

There may be some responsibilities resulting from continuing relationships between the railway company and its neighbour, as joint owners, that the Board may be authorized to control.

Had the hon. member had in mind this afternoon more specific points such as those he mentioned tonight, I should have been very happy to reply more adequately to his question, but since it was general in scope, I had to answer in the most appropriate way possible.

[*English*]

VETERANS AFFAIRS—INQUIRY AS TO AMENDMENT OF VETERANS LAND ACT

Mr. Bill Knight (Assiniboia): Mr. Speaker, on June 2, as reported at page 2803 of *Hansard*, I ask the Minister of Veterans Affairs (Mr. Laing) the following question:

In view of the fact that the Minister of Agriculture has introduced a bill to amend the Farm Credit Act which will increase the limit on loans, can the minister inform the House whether he will be proposing any amendments or changes to the Veterans Land Act?

The minister responded as follows:

Mr. Speaker, there has been a disinclination on the part of the Department of Veterans Affairs to extend and expand the opportunity for veterans to go into farming. It has been regarded as a phase-out operation.

It is an over-all policy of this government to be disinclined to promote farming, including farming by veterans. The government must come to a full recognition that our veterans sacrificed so much for my generation in order that I might grow up in a democratic society. I would point out to those who may wonder why I speak on this topic that I am the first in four generations of my family who has not had to put on a military uniform to serve in the defence of Canada.

This government should have recognition for the people brought into such service and should consider a number of changes in dealing with veterans, including an amendment to update the Veterans Land Act to cover the veterans of the Korean war. Along with that there should be a number of other changes in the method of dealing with veterans in our society. There should be a greater increase in benefits for the 29,000 war veterans under age 65 whose allowances were increased by only 3.6 per cent in the Turner budget. That is one area in which there could be real improvement.

There should be a change in the Old Age Security Act in terms of reducing the age from 65 to 60 for veterans and non-veterans alike. This would further help enhance employment in Canada. Administration in the department for handling applications should be increased to meet the present backlog of applications before the pension commission. I talk of a backlog of some 7,000 applications which have not been dealt with by that department. In addition a single, 100 per cent war disability pensioner receives $3,500 per year. This should be raised to $4,500 as suggested by the Royal Canadian Legion. Along with that there should be increased domiciliary care facilities for disabled veterans within reasonable distance of their residences. These are some of the things that should be done by the Department of Veterans Affairs.

Though the years keep extending the distance from the days when these gentlemen served the needs of this country, ours is the generation and the government that should not forget the services they rendered to Canada. The government should be concerned with bringing in changes to ensure that these people are taken care of in this part of the twentieth century.

Mr. Lloyd Francis (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, I listened with a good deal of interest to the various charges against the government by the hon. member. I sat as chairman of the committee which last year was responsible for a report, on the basis of which the government substantially rewrote the veterans' charter. I am of a generation that did serve in the last war. The hon. member said he was the first in four generations of his family who had not been obliged to do so. I hope he is never obliged to do so.

This government has by no means forgotten its obligation to veterans. Let me refer, for example, to Bill C-215, to amend the Pension Act, which will increase the number of staff of the pension commission to deal with the backlog of applications of which the hon. member spoke.

As far as the Veterans Land Act is concerned, this was a specific measure introduced after World War II, designed as part of a package for the rehabilitation of veterans, and it has very substantially served that purpose. Many thousands of veterans have been settled on the land as a result of its provisions. But now the decision has been made to phase it out as a specific veterans measure. As the minister indicated in the House, those measures designed to encourage Canadians to go into agriculture are within the responsibility of the Minister of Agriculture (Mr. Olson). That legislation has been amended, changed and brought up to date but a terminal date has been put on the Veterans Land Act provisions.

In view of the many thousands of applications under the Veterans Land Act, and the government's decision to phase out this aspect of the legislation, it would not be fair to those who have gone before to have changes brought in for those who come in just under the wire, getting the benefit of substantial changes in ceilings, terms and conditions. I think it is only fair and appropriate that measures designed to encourage Canadians to go into agriculture should be dealt with in that context.

There are other measures benefiting veterans. The hon. member touched upon a wide range of them. If I had had a little notice of the range of points he intended to raise, I might have brought more information to the House. But I want to assure the House that Canada has not forgotten its veterans. Canada is well aware of its debt to its veterans and intends to honour it.

Motion agreed to and the House adjourned at 10.24 p.m.

HOUSE OF COMMONS

Wednesday, June 21, 1972

The House met at 2 p.m.

[*Translation*]

PRIVILEGE

MR. LA SALLE—PROTEST AGAINST INACCURATE NEWSPAPER REPORT

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to rise on a question of privilege.

Last Saturday, the newspaper *La Presse* reported that the hon. member for Joliette had asked for the resignation of the right hon. Prime Minister. I should like to advise the House, and at the same time reassure the Prime Minister, that I have never made such a statement. It is my duty to add that the statement was made by another Roch, who is no relative of mine. I trust this incident did not inconvenience the Prime Minister too much.

[*English*]

ROUTINE PROCEEDINGS

TRANSPORT AND COMMUNICATIONS

Fourth report of Standing Committee on Transport and Communications—Mr. Turner (London East).

[*Editor's Note: For the text of above report, see today's Votes and Proceedings.*]

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ENVIRONMENTAL AFFAIRS

REPORT BY MINISTER ON UNITED NATIONS CONFERENCE ON THE HUMAN ENVIRONMENT

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, the United Nations Conference on the Human Environment was a great success. Representatives of 112 nations agreed at Stockholm, often unanimously, to a set of principles, an action plan and an organizational structure which will help mankind to fight pollution on land, in the sea and in the air.

The success of the first UN Conference on the Environment was due, in large measure, to the leadership shown by Canada and by Canadians. The efforts of Secretary General, Mr. Maurice Strong, in laying the groundwork for the conference are well known. Our Canadian delegation, with representatives from the provinces and from industry, helped to frame many important resolutions and to ensure that recommendations important to Canada were embodied in the final action plan. Principles of particular interest to a country like Canada with its long coastline and its proximity to highly industrialized areas in the United States were initiated by us and were endorsed by all other nations at the conference, many of which face pollution problems similar to our own.

Before listing a number of Canadian initiatives which were endorsed by the conference at Stockholm, I would like to pay a special tribute to the work done by our officials. Mr. Allan Beesley, more than anyone else at the conference, helped us to take a giant step forward in the development of international environmental law. Mr. Robert Shaw and Dr. David Munro represented Environment Canada with distinction. Mr. Paul Tremblay and Mr. Geoff Bruce of the Department of External Affairs made sure that our recommendations were always in tune with other developments in the United Nations organization and that our Canadian delegation operated like a team at all stages in the conference's deliberations.

I might note, parenthetically, that the international press rated our delegation as the strongest contingent in Stockholm. Its reporters reached this conclusion mainly because we outlined our objectives at the beginning of the conference and then managed, as a result of a great deal of lobbying and debate, to have them emerge virtually unscathed in the final declaration and action plan.

Our collective accomplishments, Mr. Speaker, cover a broad front. They range from the identification of atmospheric pollutants of global concern to the dumping of toxic substances on the high seas. Provisions were made for the protection of endangered species, of wildlife and for the payment of compensation when the effects of pollution originating in one country were felt in another country.

A world registry of clean rivers is to be set up and the harvesting of renewable resources, including fish, must be placed on an optimum, sustained yield basis.

More specifically, in the area of marine pollution Canada deliberately set out to utilize the Stockholm Conference as a means to the further advancement of international law. We tabled a set of marine pollution principles, all 23 of which were endorsed by the conference.

A statement of objectives was also agreed upon, stressing the need to manage ocean space and the special interests of the coastal state in that management process.

The Stockholm Conference referred to a conference to be held in London later this year draft articles for an ocean dumping convention which provides not only for effective control from an environmental point of view but also for enforcement by all parties, including coastal nations, against "ships under their jurisdiction".

With regard to the special rights of coastal states, the Stockholm Conference took note of them and "referred these principles to the 1973 IMCO Conference for information and to the 1973 Law of the Sea Conference for action".

Canada also tabled, well before the conference, a declaration on the human environment consisting of legal principles analogous to the UN declarations of principles on outer space and human rights. We were the first country to do so. Some states opposed the introduction of legal principles into the Stockholm declaration, but we persisted.

• (1410)

The declaration on the human environment approved at Stockholm last Friday contained the principles introduced by Canada, based on the Trail Smelter case, namely, the duty of every state not to pollute the environment of other states, the duty not to pollute the sea, the air and outer space beyond the jurisdiction of any state, and the duty to develop the law concerning liability and compensation in respect of such damage.

A further consequential principle flowing from these three, the duty of states to consult with or notify states of activities which may have an environmental impact on them, received close to unanimous support but was referred to the twenty-seventh United Nations General Assembly for further consideration.

If I had to identify the area in which I believe our delegation made the greatest contribution, Mr. Speaker, it would have to be on the marine side. Freedom of the high seas must not include the freedom to pollute. That freedom, or licence if you like, has been shaken by the Stockholm Conference. Further deliberations at the international level, including the Law of the Sea Conference in 1973, will be necessary in order to spell this principle out in some detail. But the basic theme is there. Thanks to Canadians, it has been expressed in legal language. Its elaboration in actual practice now only seems to be a matter of time.

Rather than take up further the time of the House, Mr. Speaker, I would like to ask your permission to table two documents. One lists, in some detail, the marine principles which Canada initially proposed and which were subsequently endorsed by the conference at Stockholm. The other is a copy of the statement which I made at the opening of the conference and which summarizes the position our delegation took throughout its deliberations. Could I please have permission of the House to table these two documents for inclusion in today's *Hansard,* Mr. Speaker?

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

[*Editor's Note: For text of documents referred to above, see Appendices A and B.*]

Mr. Davis: That completes my statement on motions.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, perhaps the best summary of the outcome of the Stockholm Conference appeared on the editorial page of the Christian Science *Monitor* on Monday, June 19. The lead editorial concluded with the words:

To rally all the participating nations in support of the conference proposals at a meeting lasting only 11 days was something of a tour de force. Much of the conference's success was due to the extraordinary skill and untiring energy of its chief organizer, Maurice Strong of Canada.

Some hon. Members: Hear, hear!

Mr. Aiken: The editorial continues:

But the conference could only have succeeded if the desire to succeed was universal.

The measure of universality achieved at Stockholm is a measure of man's new concern for the future of his planet and of the whole human family.

It was heartening to know that efforts to use the conference for advancement of side issues which might have wrecked it were unsuccessful. The nations of the world have recognized formally the prime concern about global pollution of the oceans, the atmosphere and the earth. The United Nations Organization has not often been able to bring about joint and universal declarations on a major world problem. We can all join with the minister in this brief glow of satisfaction in a successful conference.

But, of course, agreements on principle are a long cry from successful action. We have learned that here in this Parliament where we have had ringing declarations of principle on environmental matters, followed by hopeful legislation and then inability or failure to carry it out. It is even more difficult in the world body where so many divergent interests are involved. It will require constant and continual pressure to carry out the principles agreed upon and we should continue to support Maurice Strong in these efforts.

It was unfortunate that our delegation brought some adverse criticism on its initial abstention on the issue of nuclear testing. However, the subsequent change of position rectified our international standing on the final vote, and the Canadian delegation is generally reported as contributing actively to the conference. While we are glad that our delegation was in evidence, Canadians would really have accepted nothing less.

In conclusion may I say that in view of the activities of Canadians at the Stockholm Conference, outlined by the minister in his statement, it is incumbent on him to enlist the support of his colleagues in an active anti-pollution effort in Canada. We cannot preach abroad with any reality unless we act at home.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, we welcome the minister back from the conference in Stockholm and we congratulate him for the good press he received. The members of this House are very eager and anxious to hear and see how the minister's successful diplomatic manoeuvering will be translated into action at the international level.

We welcome the statement of accomplishments and the apparent accord of the United Nations on many important aspects of our global environment. Our party fully endorses and applauds the general position taken by the minister and the Canadian delegation on a number of important international environmental issues. We wish, however, that this apparent leadership would extend to those major environmental problems facing us in our own nation. The leadership, planning and action required to implement positive programs are sadly lacking at the federal level in Canada. In my opinion, sound and positive

moves on a national scale would not only encourage the world community of nations to tackle global problems but would convince them that we were sincere in calling for a global approach to pollution.

The Stockholm Conference calls for international standards. Why, then, does this government not insist on national standards within our own country? Why do we pass legislation which in effect has fragmented standards from one end of Canada to the other? Why do we allow land use regulations in the northern 40 per cent of our nation to be so watered down through pressure from major economic interests that these regulations cannot adequately do the job of protecting the delicate ecology of the north? Why is the only major portion of Canada where all resources are under federal jurisdiction, namely, the area north of latitude 60 degrees, not included under the jurisdiction of the Department of the Environment?

We talk about international standards and control, but the Minister of the Environment does little when major ecological problems face us such as in the James Bay area. Why did his department not insist on full ecological surveys being made before the project commenced? What about the St. Lawrence River where the water is so badly polluted that it is not safe for bathing? Have we no jurisdictional rights in this area, or are the department and the government afraid to move?

There is one point I would like to raise in connection with the Stockholm Conference, and I will be brief. The tendency of this government to pussyfoot in the face of pressure from powerful lobbies was made clear in Stockholm. A $1 million offer to contribute to research on low pollution alternatives to petroleum sources of energy was withdrawn. The international press claimed that it was due to pressure from powerful oil interests. These same economic interests have forced this government to downgrade its land use regulations needed to protect our northern areas. We find that oil exploration is going on in a large portion of northern Canada without adequate controls.

May I say in closing that we welcome the accomplishments of the Stockholm Conference and the part played in it by Maurice Strong and our Canadian delegation. We are looking forward to seeing this expression of leadership in the international field translated into action. We are going to ride herd on the minister to see that this action is taken.

• (1420)

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, we have listened with a great deal of attention to the statement of the hon. Minister of the Environment (Mr. Davis). I thank him for sending me a copy of his statement around one o'clock, but I must point out that I did not receive the French translation until 2:17 p.m. exactly. I would have liked one of my colleagues to comment on this statement, but because we did not receive the French translation soon enough, I was forced to select myself to make comments on it. When the minister has statements to make, I wish he would send us the translation soon enough for my colleagues and myself to read them before hand.

Mr. Speaker, we are proud of the role played by Canada at the United Nations Conference on the Environment at Stockholm where the delegates agreed, often unanimously, to a set of principles, an action plan and an organizational structure which will help mankind fight pollution on land, in the sea and in the air.

Mr. Speaker, we are in complete agreement with the minister on these basic principles which will help all mankind but, nevertheless, we must not forget that in Canada, in the provinces and in the municipalities an action plan must also be established to fight efficiently sea, air and land pollution.

Some municipalities and some provinces are asking the central government for help in depolluting the lakes which supply some cities with their drinking water. For example, in Rouyn-Noranda, help has been requested for many years to clean Dufault Lake in order to build an adequate water system. But they always get the same answer that funds are not available, notwithstanding the fact that the government has the financial means to go to Stockholm to decide what will happen on the shores of the United States, of Africa, etc. We are not against this and we are happy that the government's participation is very efficient and that it draws the attention of the world to these problems. However, Mr. Speaker, I would like the government to pay as much attention to the municipalities and provinces in Canada in order to help the population in its fight against pollution of any kind.

* * *

HOUSE OF COMMONS

REQUEST THAT ST. JEAN-BAPTISTE DAY AND DOMINION DAY HOLIDAYS BE OBSERVED ON MONDAYS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O.43

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to submit a motion under Standing Order 43, with the request that hon. members kindly listen instead of saying "No" as usual. Since the national holiday of French Canadians and Dominion Day both fall on a Saturday, I should like to move, seconded by the hon. member for Victoria-Haliburton (Mr. Scott):

That the Mondays following these two holidays be proclaimed holidays for Parliament and all the personnel of that institution.

Mr. Speaker: The House has heard the motion submitted by the hon. member for Joliette. Under the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: No.

Mr. Speaker: There is no unanimity. The motion therefore cannot be put.

Proposed Legislation

[*English*]

TRANSPORT

LABRADOR—CONSTRUCTION OF HIGHWAY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Ambrose Hubert Peddle (Grand Falls-White Bay-Labrador): Mr. Speaker, I rise to seek the unanimous consent of the House to move a motion under Standing Order 43. In view of the fact that it has now been 838 days since this Parliament unanimously adopted the report of the Standing Committee on Transport relating to road transport in Labrador I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That this House instructs the government to immediately initiate negotiations with the provinces of Newfoundland and Quebec on construction of a highway system across Labrador linking it with the national highways system; and that the Minister of Transport, who made the initial commitment on March 6, 1970, report to this House on or before the final day of this session on the progress made.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not. The motion cannot be put.

TRAFFIC SAFETY ANNUAL REPORT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise under Standing Order 43 on a matter of urgent and pressing necessity. It concerns the traffic safety annual report of the Minister of Transport (Mr. Jamieson).

In view of the fact that information on motor vehicle defects is organized—I am sure inadvertently—in such a way as to be entirely useless to the motoring public, and in view of the fact that the federal government has an indisputable responsibility to make this information known to the public in the clearest possible form, I move, seconded by the hon. member for Gander-Twillingate (Mr. Lundrigan):

That the Minister of Transport take immediate steps to review his department's annual report with the intention of providing the public with clear and comprehensive information on motor vehicle defects.

Mr. Speaker: Under the terms of Standing Order 43, this motion also requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

[Mr. Speaker.]

DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE ACT

AMENDMENT TO REQUIRE FILING OF MONTHLY REPORTS ON NAMES OF COMPANIES AND AMOUNTS OF GRANTS UNDER CERTAIN PROGRAMS

Mr. Edward Broadbent (Oshawa-Whitby) moved for leave to introduce Bill C-219, to amend the Department of Industry, Trade and Commerce Act (public disclosure).

Some hon. Members: Explain.

Mr. Broadbent: Mr. Speaker, the purpose of this bill is to require the Minister of Industry, Trade and Commerce to file monthly reports on the names of the companies and amounts of grants authorized under programs of the department such as PAIT, DIP, IDAP, PEP and GAAP.

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

* * *

REGIONAL DEVELOPMENT INCENTIVES ACT

AMENDMENT RESPECTING COMMITMENT OF MONEY IN ANY FISCAL YEAR

On the order: Introduction of Bills.

June 16, 1972—Mr. Broadbent—Bill intituled: "An Act to amend the Regional Development Incentives Act".

Mr. Speaker: The Chair referred yesterday to some procedural difficulties which were perceived in relation to the bill now proposed by the hon. member for Oshawa-Whitby and indicated the grounds of objections that had come to mind. If the hon. member has any opinion to express in relation to the procedural aspects of this bill I will hear him; otherwise I will express the views of the Chair.

Mr. Edward Broadbent (Oshawa-Whitby): Thank you, Mr. Speaker, before doing that I would ask the Chair to clarify which of the two amendments to the Regional Development Incentives Act the Chair is referring to. I am presenting two bills to amend the same act.

Mr. Speaker: This bill has an explanatory note as follows:

The purpose of this bill is to ensure that incentive grants under the Regional Development Incentives Act result in permanent benefits to the economy and the people of designated regions rather than benefits to private enterprise.

I think the explanatory note would identify the bill.

Mr. Broadbent: On the procedural point, Mr. Speaker, I would say that it is certainly not the intention of the bill to increase public spending in this area at all; rather it is intended primarily to redistribute the spending already allocated and approved by the government and to ensure that a greater percentage of the funds goes to Crown corporations as opposed to private corporations. Because the bill involves no increase in expenditure I would think it should be allowed.

Mr. Speaker: I thank the hon. member for the views he has just expressed. I think he will agree, upon reflection, that it is not only the amount approved or recommended by the royal recommendation that cannot be changed but there is also a prohibition against a redirection of the amount that is approved or recommended to the House in the royal recommendation.

• (1430)

To my way of thinking, the hon. member proposed that any moneys committed under the act are to be redirected in a manner other than that envisaged in the royal recommendation which preceded the bill establishing the Regional Incentives Act. In addition, I suggest to the House, and to the hon. member in particular, that the effect of the proposed bill would be that the government would purchase control of private firms with public funds. I am not sure whether this second aspect is necessarily true. But certainly there is no doubt in my mind that there is a redistribution of funds and that this is contrary to the strict terms of the royal recommendation. In the circumstances, I do not think that a bill proposed in those specific terms ought to be put to the House.

AMENDMENT TO ENSURE THAT PUBLIC FUNDS ARE NOT USED AGAINST INTEREST OF CANADIAN ECONOMIC INDEPENDENCE

Mr. Edward Broadbent (Oshawa-Whitby) moved for leave to introduce Bill C-220, to amend the Regional Development Incentives Act.

Some hon. Members: Explain.

Mr. Broadbent: Mr. Speaker, the purpose of this bill is to ensure that public funds are not used contrary to the interests of achieving and maintaining Canadian economic independence.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

ROCHDALE COLLEGE—FORECLOSURE ACTION

Question No. 43—**Mr. Ryan:**

1. With respect to the foreclosure action against Rochdale College by Central Mortgage and Housing Corporation (a) has a Notice of Desire to Redeem been filed by the original defendant (b) has a Writ of Possession been obtained (c) has a judgment been signed on the covenant of the mortgage with a reference ordered to determine the rights of subsequent encumbrancers?

2. Have any person, persons, firms or corporations registered claims against Rochdale College and, if so (a) in what amounts (b) on what security (c) which ones have intervened in the said foreclosure action to protect their equity?

Hon. Ron Basford (Minister of State for Urban Affairs): 1. (a), (b) and (c) No. Pleadings have been noted closed against all the defendants, with the exception of Revenue Properties Central Developments Limited and Rochdale College, and affidavits of production have been filed by the required parties.

2. Yes. (a) and (b) Claims have been registered by the organizations listed below, in the amounts and on the basis of the security indicated: (i) Central Mortgage and Housing Corporation in the amount of $5,395,287, as at May 1, 1972, on the security of a mortgage. (ii) Rubin Corporation, now known as Revenue Properties Central Developments Limited, in the amount of $417,838 as at May 31, 1971, on the security of a mortgage. This mortgage was subsequently assigned to the Royal Trust Company as Trustee. (iii) Campus Co-Operative Residences Incorporated in the amount of $90,000 as at May 31, 1971, on the security of a mortgage. (iv) Nu Sigma Nu Fraternity in the amount of $120,000 as at May 31, 1971, on the security of a mortgage. (v) Revenue Properties Central Developments Limited in the amount of $245,044 as at May 31, 1971, on the security of a mortgage. (vi) Student Management Services in the amount of $52,000 on the security of a debenture. (c) The following have intervened in the foreclosure action: Rubin Corporation (Revenue Properties Central Developments Limited), Campus Co-Operative Residences Incorporated, Nu Sigma Nu Fraternity, Revenue Properties Central Developments Limited, Rochdale College.

TRADE BETWEEN CANADA AND SOUTH AFRICA

Question No. 284—**Mr. Macquarrie:**

1. (a) Since South Africa left the Commonwealth in 1961, has there been an increase or decrease in trade between Canada and South Africa (b) what is the extent of this increase or decrease since 1961?

2. (a) Since South Africa left the Commonwealth in 1961, has there been an increase or decrease in Canadian investment in South Africa (b) what is the extent of this increase or decrease since 1961?

3. What is the extent of the "extensive sanctions" applied by Canada towards South Africa as referred to in the government's review of foreign policy (United Nations *Foreign Policy for Canadians*, Ottawa, 1970, p. 18.)?

4. Does Canada still accord South Africa the benefit of the British (or Commonwealth) preferential tariff and, if so, is the government considering abrogating this privilege?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. (a) (b) In 1961 total trade between Canada and South Africa amounted to $50.4 million—Canadian exports $37.8 million; Canadian imports $12.6 million. In 1971 this trade totalled $117.4 million—Canadian exports $62.8 million; Canadian imports $54.6 million.

2. The total book value of direct Canadian investment in South Africa in 1961 was $17 million. In 1970, the last year for which figures are available, direct Canadian investment was $70 million.

3. The "extensive sanctions" referred to in "*United Nations—Foreign Policy for Canadians*", page 18, are applied, not to South Africa, but to Rhodesia (as expressly stated in that document) in compliance with Security Council Resolution 253 of May 29, 1968 and formally enacted by an Order-in-Council on December 28, 1968.

The sanctions cover virtually all transactions with Rhodesia with certain humanitarian exceptions. With regard to South Africa, Canada maintains an embargo on the sale of military equipment and spares. For the rest of our trade with that country, we are governed by our general policy of trading in peaceful goods with all countries and territories regardless of political considerations (also enunciated in Foreign Policy for Canadians, Volume 6, page 19).

4. Canada exchanges preferences by virtue of bilateral agreements with South Africa as it does with Britain, Ireland, Australia, New Zealand and the Commonwealth Caribbean. The consideration of the status of the agreement with South Africa is based on the concept of mutual advantage.

NUMBER OF CANADIAN RESIDENTS REFUSED CANADIAN CITIZENSHIP SINCE 1945

Question No. 296—**Mr. Robinson:**

1. How many Canadian residents have been refused Canadian citizenship in each year since 1945?

2. What were the reasons for refusal of Canadian citizenship, in general terms, in each case?

3. Are there any persons who have been refused Canadian citizenship still resident in Canada and, if so (a) how many (b) for what reason?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): 1. Since the Canadian Citizenship Act came into force on January, 1947: 1947, 5; 1948, 142; 1949, 152; 1950, 98; 1951, 232; 1952, 252; 1953, 147; 1954, 195; 1955, 256; 1956, 228; 1957, 308; 1958, 356; 1959, 395; 1960, 289; 1961, 311; 1962, 371; 1963, 337; 1964, 323; 1965, 287; 1966, 135; 1967, 130; 1968, 64; 1969, 13; 1970, 52; 1971, 24. Some applicants have been refused more than once. Many applicants have obtained citizenship upon a second or subsequent application.

2. (a) For lack of statutory qualifications as to (1) residence or domicile; (2) language; (3) good character; (4) knowledge; (b) For lack of compliance with other statutory requirements such as oath of allegiance or intent to reside permanently in Canada. (c) By exercise of ministerial discretion.

3. Undoubtedly, but full information is not available on the movement of immigrants or any other residents of Canada.

[*English*]

NATIONAL GALLERY OF CANADA—AMOUNT PAID FOR ART PIECE ENTITLED "KLONOS"

Question No. 557—**Mr. Nesbitt:**

1. What was the amount paid by the National Gallery of Canada for an eight-part fibre glass art piece entitled "Klonos"?

2. Is it the intention of the National Gallery to exhibit this art piece in Venice in October, 1972?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the National Museums of Canada as follows: 1. The National Gallery does not announce the prices paid for works of art.

[Mr. Howard (Okanagan Boundary).]

2. The National Gallery has chosen the eight-part work by Walter Redinger called *Klonos* as part of the Canadian participation in the *Venice Biennale*. Since reaching that decision, it has decided to acquire the work; the purchase is not yet complete.

[*English*]

HIGHWAY FATALITIES IN CANADA

Question No. 562—**Mr. Mather:**

1. What was the number of highway fatalities in Canada in 1960, 1970 and 1971?

2. What was the rate of fatalities per 100 million vehicle miles in those years?

3. What was the number of Canadians killed in 1915 in World War I and in 1944 in World War II?

4. What was the rate of such fatalities as related to numbers involved in those years?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by Statistics Canada and by the Departments of Transport and Veterans Affairs as follows: 1. and 2. The table below shows the number of highway fatalities in Canada in 1960, 1970 and 1971, and also the rate of fatalities per 100 million vehicle miles.

	Number of Highway Fatalities in Canada	Rate per 100 million vehicle-miles
1960	3,283	7.6
1970	5,080	6.4
1971	5,480 (partially estimated)	Not yet available

3. In so far as the Department of Veterans Affairs is concerned: Fatalities (a) 1915, 4,607; (b) 1944, 19,211. In so far as the Department of Transport is concerned: (a) Number of Canadian Merchant Seamen who died by enemy action during the year 1915: 43; (b) Number of Canadian Merchant Navy personnel and seamen of Canadian birth or giving Canadian addresses of other merchant navies who died by enemy action during 1944: 45.

4. Strength 1915, 191,654; 1944, 505,659 (1); Percentage of fatalities 1915, 2.4 per cent, 1944, see Note (1).

(1) This figure includes army and navy strength but excludes RCAF strength as these statistics are not available. It is therefore not possible to show a true percentage of fatalities.

(2) Information is not available on the number of Canadians who served in Allied Forces.

*POST OFFICE SERVICES—THUNDER BAY

Question No. 571—**Mr. Dinsdale:**

1. Has the Postmaster General received a complaint from the Thunder Bay Citizen's Association, dated March 16, 1972, outlining the general deterioration in postal services at Thunder Bay?

2. What action has been taken to resolve the problem?

Mr. Gerald Richard Cobbe (Parliamentary Secretary to Postmaster General): Mr. Speaker, the answer to the first part of the question is, yes. The answer to the second part is as follows: Even though the situation is now back to

normal, the Regional General Manager, Ontario Postal Region, is presently reviewing the postal service at Thunder Bay. A detailed report outlining his findings will be submitted to my office on completion.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

CBC—EMPLOYMENT OF INDIAN AND ESKIMO SPEAKING PERSONNEL

Question No. 351—**Mr. Yewchuk:**

1. For each year 1961 to 1970 inclusive, by province and territory, how many persons speaking (a) an Indian dialect (b) an Eskimo dialect where employed (i) full-time (ii) part-time by CBC radio and television broadcasting industry?

2. For each fiscal year 1969/70 and 1970/71, how many persons speaking (a) an Indian dialect (b) an Eskimo dialect did CBC lay off for want of funds?

Return tabled.

CHAMPLAIN CONSTITUENCY—PROJECTS UNDER LIP

Question No. 445—**Mr. Matte:**

Have groups or municipalities in the constituency of Champlain submitted projects under the Local Initiatives Program and, if so (a) what is the nature of each (b) for each of these projects what was (i) the code number (ii) the date of submission (iii) the names of those in charge (iv) the amount of the grant requested (c) which of these projects were accepted?

Return tabled.

DEPARTMENT OF MANPOWER AND IMMIGRATION—ADULT OCCUPATIONAL TRAINING ACT

Question No. 573—**Mr. Godin:**

For the year 1971-72, has the Department of Manpower and Immigration entered into contract with employers or companies pursuant to Section 6 of the Adult Occupational Training Act and, if so (a) how many contracts were signed in the Province of Quebec (b) what were the names and addresses of the contractors (c) in each case, what was the duration of the contract?

Return tabled.

Mr. Hales: On a point of order, Mr. Speaker, may I bring to the attention of the parliamentary secretary three questions in my name which have stood on the order paper since March 16. One of them deals with a matter that arose last year. May I remind him that I should like to have the answers as soon as possible.

Mr. Jerome: Yes, Mr. Speaker.

MOTIONS FOR PAPERS

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion for the production of papers No. 66 is acceptable to the government subject to the usual reservations concerning confidential documents.

[*Translation*]

Mr. Speaker: Subject to the reservations and conditions stated by the Parliamentary Secretary, does the House agree that notice of motion No. 66 be deemed to have been carried?

Some hon. Members: Agree.

[*English*]

CORRESPONDENCE RELATING TO INSTALLATION OF CO-AXIAL TELEVISION CABLE, CALAIS, MAINE AND ST. STEPHEN, N.B.

Motion No. 66—**Mr. Flemming:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all correspondence with the Minister of Public Works relating to the permitted installation and use of a co-axial television cable suspended from the International Bridge between Calais, Maine, and St. Stephen, New Brunswick, which cable is purported to be owned by Acadia Cable TV Limited.

Motion agreed to.

Mr. Jerome: Mr. Speaker, would you be so kind as to call notices of motions Nos. 15 and 20?

COPY OF ALL CORRESPONDENCE AND PHOTOGRAPHS REGARDING ISSUANCE OF PASSPORTS TO YVES GEOFFROY AND CARMEN PARENT

Motion No. 15—**Mr. Woolliams:**

That an Order of the House do issue for copies of all documents, application forms, photographs and letters leading to the issuance of passports to both Yves Geoffroy (or in his alias name, if any) and Carmen Parent.

Mr. Paul St. Pierre (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, unfortunately the documents asked for in this notice of motion pertain to a matter that is still sub judice. I suggest that in the circumstances the hon. member might wish to withdraw his motion.

Mr. Woolliams: Mr. Speaker, I wonder whether the motion could stand until the court case is over. It must have been pending for a considerable length of time because the Geoffroy incident and his return occurred some time ago. I ask that the motion stand and, when the court case is over, I am sure the government will bring forward the documents.

Mr. Speaker: Shall the motion stand?

Some hon. Members: Agreed.

Motion stands.

COPY OF STUDY ON FEDERAL GOVERNMENT AND THE ARTS UNDERTAKEN IN 1966-67 FOR SECRETARY OF STATE

Motion No. 20—**Mr. Skoberg:**

That an Order of the House do issue for a copy of the study on the federal government and the arts undertaken in the fiscal year 1966-67 for the Secretary of State as mentioned in answer to Question Number 1,323 of the 1st Session of this Parliament.

Inquiries of the Ministry

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I move the motion on behalf of the hon. member for Moose Jaw.

Mr. James Hugh Faulkner (Parliamentary Secretary to Secretary of State): Mr. Speaker, the present motion is the same motion for the production of papers as that of previous sessions. As has been pointed out, the study referred to was a confidential report to the Secretary of State and as such is considered to be a privileged document. I would therefore request that the hon. member withdraw his motion.

Mr. Knowles (Winnipeg North Centre): Question.

Mr. Jerome: Transfer for debate.

Mr. Speaker: Transferred for debate.

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

SUPPORT FOR ANTI-POVERTY PROGRAMS—POSSIBILITY OF HIGHER TAXES AFFECTING INCENTIVE OF MIDDLE-INCOME GROUPS—GOVERNMENT POSITION ON STATEMENT BY HEALTH AND WELFARE MINISTER

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister arising out of comments made by the Minister of National Health and Welfare respecting support for anti-poverty programs having to come from middle-income groups and expressing concern about the possibility of higher taxes damaging the incentives of those who desire to be rich. I ask the Prime Minister whether it is the position of the government that incentives among the middle-income groups are not a matter of concern at the present time?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, of course they are, and I believe that is what the minister was saying.

Mr. Nowlan: Oh, no.

Some hon. Members: Oh, oh!

Mr. Stanfield: In view of the startlingly high unemployment figures published recently for the month of May and in view of the concern just expressed by the Prime Minister about the effect of taxation on incentives, is he considering additional measures to reduce the rate of unemployment and thereby directly fight poverty and directly reduce the burden of maintaining anti-poverty programs upon the middle-income groups?

Mr. Trudeau: Mr. Speaker, if we have any announcements to make along those lines further to the ones we made in the budget, we will make them.

Mr. Stanfield: I have one further supplementary, Mr. Speaker, in connection with any information that the Prime Minister might feel free to give. May I ask the right hon. gentleman whether he is considering any additional legislation at this time which would reduce the benefits being received by middle-income groups under present legislation, other, of course, than the 3 per cent increase in income taxation which will come into effect on January 1 and presumably affect all income taxpayers?

Mr. Trudeau: Mr. Speaker, I hope the Leader of the Opposition will keep these statements in mind the next time he presses for increased benefits for the poor people of the country.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, may I direct a supplementary question to the Prime Minister. As such a high burden of taxation is borne by middle and low-income Canadians now and as the corporate share of the tax burden which was about 45 per cent in 1950 has dropped to about 12.5 per cent under the present government, would the Prime Minister give serious consideration to increasing the share of the burden paid by the corporate sector?

Mr. Trudeau: Mr. Speaker, I should not like to concede the premises of the question.

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, may I direct a supplementary question to the Prime Minister. Was the Minister of National Health and Welfare expressing government policy when, in his speech yesterday in Quebec City, he said that the government's policy was to save the rich, soak the middle class and seduce the poor in taxation policies?

Mr. Trudeau: Mr. Speaker, as happens invariably with questions from the opposition, they always misstate facts when they are quoting something a minister said outside the House.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Stanfield: Mr. Speaker, I rise on a point of order. I think the Prime Minister has just made a very irresponsible statement.

Some hon. Members: Oh, oh!

Mr. Stanfield: I may say, if he wants to take issue—

Mr. Drury: Order!

Some hon. Members: Oh, oh!

Mr. Stanfield: Mr. Speaker, I am speaking on a point of order and I will be happy to follow your direction. So far as I know, the President of the Treasury Board is not in charge of the conduct of the proceedings of the House.

An hon. Member: Thank God!

Some hon. Members: Hear, hear!

• (1440)

Mr. Stanfield: I simply wish to say on the point of order that if the Prime Minister wishes to take issue with the way in which any minister has been quoted he has a perfect right to do so, but it is going even beyond the

distance he usually goes to besmirch all opposition members as he has just done.

Some hon. Members: Hear, hear!

Some hon. Members: Withdraw!

Mr. Trudeau: Mr. Speaker, the Leader of the Opposition is right. I should not have referred to all members but only to those who ask questions.

Some hon. Members: Hear, hear!

Mr. Nowlan: Mr. Speaker, I wish to direct a supplementary question to the enlightened Prime Minister. As one member of the nobodies—

Some hon. Members: Hear, hear!

Mr. Nowlan: Mr. Speaker, all those who clapped are going to be in the nobody class after the next election.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Nowlan: I used the past tense to give full credit to this government which is a past government. All those who clapped—

Mr. Speaker: Order, please. The hon. member has the floor for a supplementary. We have been proceeding for a while now without making much progress. We are still on the first question. We appear to be launched on a typical Wednesday question period when members come out of their caucuses in fighting humour, but I hope we can make some progress. The hon. member may ask a supplementary.

Mr. Nowlan: I certainly agree with Your Honour's admonition. To try to help Canadians make progress as to where we are going in this country, I wish to ask the Prime Minister whether the Minister of National Health and Welfare was expressing government policy when he said that the middle class was going to bear even more of the tax burden of the land, having in mind that the tax reform bill seemed to be heading that way had other members of the government not come forward and diluted the impact. Is the middle class of this country going to accept and be responsible in a tax way for more of these programs than at present?

Mr. Trudeau: Mr. Speaker, this is obviously a misquotation of what the minister said.

Mr. Nowlan: A supplementary question.

Mr. Speaker: Order, please. I will recognize the hon. member for one supplementary, continue the round and return to the hon. member if he has further supplementaries on behalf of his group.

Mr. Nowlan: Mr. Speaker, my supplementary will be very short. Did the Prime Minister and the Minister of National Health and Welfare have a conversation before the Minister of National Health and Welfare made that speech in the province of Quebec?

Mr. Bell: He had one afterwards.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member for York South.

* * *

ENVIRONMENTAL AFFAIRS

CO-ORDINATION WITH OTHER DEPARTMENTS TO ENSURE THAT ACTIVITIES CONFORM TO POLICIES—CONSULTATION RESPECTING NEW RAYONIER PLANT IN PORT CARTIER, QUEBEC

Mr. David Lewis (York South): Mr. Speaker, in this environment I have some questions for the Minister of the Environment. In view of the minister's glowing report about his work in Stockholm—

Some hon. Members: Hear, hear!

Mr. Lewis: When a minister gives a glowing report about himself, I think his colleagues ought to applaud him.

Some hon. Members: Oh, oh!

Mr. Lewis: I want to ask the minister whether in his department there is any co-ordinating agency with other departments of government to make certain that activities in which other departments may engage do not have a deleterious effect on the environment contrary to the policies that are supposed to be implemented by his department? Is there any agency in government that oversees that kind of thing?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, the answer is yes. There is a co-ordinating agency in the environmental protection service of Environment Canada with officers positioned in five separate regions in Canada.

Mr. Lewis: Mr. Speaker, I am not asking about regions. I will be more specific. Was the minister's department consulted by the Department of Regional Economic Expansion when it agreed to assist in the establishment of an ITT-Rayonier plant in Port Cartier, Quebec, and the receiving of a very large tract of land for cutting? Was his department consulted about this in view of the fact that ecologists at the University of Waterloo suggest this would create a virtual desert in a very important part of the Quebec north shore and destroy wildlife as well as other aspects of the environment there? Did the minister even know—

Mr. Speaker: Order, please.

Mr. Davis: Mr. Speaker, in so far as the dedication of large acreages of forest land is concerned, I am sure that is a matter for the province and the provincial forest service to decide. With regard to pollution abatement procedures, in that the federal government was going to make a financial contribution our environmental protection service worked closely with DREE to ensure that the proper clean-up facilities would be included in the new plant at Port Cartier and that they will be capable of

operating in such a manner as to meet our new nation-wide pollution standards.

Mr. Lewis: I am concerned about whether there is machinery that can protect the environment before any harm is done. In view of the minister's concern about the salmon fishery in the east, for example, has he looked into the question also raised by ecologists at the University of Waterloo that this entire project in northern Quebec will adversely affect some 30 sources of salmon fishing in a very important part of that province and, indeed, of Canada?

Mr. Davis: Mr. Speaker, while the inland waters fishery, in this case salmon fishery, is administered by the province of Quebec, we enjoy the closest possible liaison with the provincial authorities in this regard. I can assure the hon. member that we have been very concerned, as is the province of Quebec, with not only the maintenance but the revival of salmon runs in that province.

Mr. Speaker: The Chair will recognize the hon. member for York South for one last supplementary and then the hon. member for Churchill.

Mr. Lewis: Will the minister inform the House whether these matters have in fact been looked into by his department and whether there have been discussions between his department, the Department of Regional Economic Expansion and the province of Quebec relating to these aspects of the undertaking and any others?

Mr. Davis: Mr. Speaker, I have not seen the report to which the hon. member refers, but I can assure him that with respect to those matters he has mentioned today we have been working closely with the province and, of course, with the federal Department of Regional Economic Expansion.

PROPOSED RAISING OF LEVEL OF SOUTH INDIAN LAKE, MANITOBA—REQUEST THAT MINISTER MEET WITH LOCAL REPRESENTATIVES

Mr. Robert Simpson (Churchill): Mr. Speaker, I have a supplementary question for the Minister of the Environment. Has the minister received a request from the council or the people of the South Indian Lake area of Manitoba for a meeting with the minister with regard to their concern about the damage that may be caused to the ecology and the environment of the lake and surrounding area because of the recent decision to raise the level of the lake to 850 feet? If so, is the minister prepared to meet with the council as requested?

Hon. Jack Davis (Minister of the Environment): Yes, Mr. Speaker, I believe we have received such a submission. I am certainly prepared to meet these people. However, I would want to meet with them in the presence of the provincial authorities who I believe have a greater responsibility than the federal government in this connection.

[Mr. Davis.]

[*Translation*]

LABOUR RELATIONS

QUEBEC—LONGSHOREMEN'S STRIKE—RESULT OF MEETING BETWEEN MINISTER AND PARTIES

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Minister of Labour.

Following the talks he had with the Maritime Employers Association and representatives of the Montreal longshoremen's union, has the minister found that the conflict may soon be settled and when does the minister think that it may be?

• (1450)

[*English*]

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, I met with the representatives of the two parties yesterday and I will be meeting again this evening with representatives of the Maritime Employers Association. I trust that we will make good progress at these meetings.

[*Translation*]

Mr. Caouette: Mr. Speaker, have both parties already accepted the suggestion of the minister that they should meet with him in order to discuss this problem with a view to settling it?

[*English*]

Mr. O'Connell: We are in the process of meeting, Mr. Speaker. This afternoon I received a wire from the International Longshoremen's Association accepting the appointment of a commissioner, with the understanding that prior to this the two parties must agree on the conditions of a return to work and the lifting of the suspension, that is to say, resumption of operations at the port. That is understood to be a condition precedent.

QUEBEC—LONGSHOREMEN'S STRIKE—REPRESENTATIONS BY WESTERN GRAIN ORGANIZATIONS FOR ACTION TO END DISPUTE

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I have a supplementary question. In view of the statement made by the president of the Alberta Wheat Pool that the tie-up of the St. Lawrence ports has reduced export grain loadings by two and a half million bushels a day and has resulted in the loss of important wheat sales to China and barley sales to Europe, may I ask the minister whether he has received representations from western co-operatives or, indeed, from the National Farmers Union that he take action to bring this tie-up to an end?

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, I have received representations from many economic interests that are concerned about the disruption of facilities in these ports. We are doing all we can to bring the disruption to an end.

Mr. Gleave: May I ask the minister whether, failing an immediate agreement between the two parties, the government will take action to operate the stevedoring firms and see that movement of cargo gets under way and continues?

Mr. Speaker: Order please. That is both hypothetical and a representation. The hon. member for Crowfoot on a supplementary.

QUEBEC—LONGSHOREMEN'S STRIKE—POSITION OF MARITIME EMPLOYERS ASSOCIATION RESPECTING BARGAINING

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I should like to direct a supplementary question to the Minister of Labour. Has the Maritime Employers Association given an indication that it is prepared to bargain in good faith in order to settle this very disruptive longshoremen's strike?

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, I am meeting with the board of directors and the president of the Maritime Employers Association this evening.

Mr. Raymond Rock (Lachine): I have a supplementary question, Mr. Speaker. As the Minister of Labour has not taken immediate action to settle the strike, does he intend to allow the Quebec Minister of Labour to intervene, as Mr. Cournoyer stated he would if federal action is not taken immediately?

Mr. Speaker: Order, please. That question was asked yesterday.

* * *

ENVIRONMENTAL AFFAIRS

APPLICATION OF POLLUTION CONTROL RECOMMENDATIONS BY STOCKHOLM CONFERENCE TO RUSSIA AND OTHER COMMUNIST COUNTRIES—CONTRIBUTION TO ENVIRONMENTAL FUND

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of the Environment. It is reported that at the United Nations Conference on the Human Environment some 200 recommendations on pollution control were made, and, of course, all these measures will have to be ratified by the United Nations General Assembly at its fall session. Since the Soviet Union and other east European nations, with the exception of Roumania and Yugoslavia, stayed away from the conference, will the Stockholm proposals, especially those dealing with oil pollution on the high seas, be applicable to the Soviet Union, and will any special effort be made between now and the fall session of the United Nations to secure agreement from the Communist countries to the conference's recommendations?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, I am confident that these principles will be adopted by the General Assembly of the United Nations and, having been adopted by the General Assembly, I assume that they will be equally binding on those few countries, such as the U.S.S.R., which did not attend. My general impression is that they support the principles. I cannot answer the question as to whether there will be lobbying in the interim; perhaps the Secretary of State for External Affairs can assist the hon. member.

Mr. Crouse: Canada is reported to have volunteered to donate $7.5 million to a $100 million environmental fund. Will the Soviet Union and the Communist countries be contributing to this fund, and what criteria will be used by the fund's managers to compensate developing countries for trade lost because of the new environmental standards?

Mr. Davis: Mr. Speaker, I do not know whether the U.S.S.R. or the other Communist bloc countries will be contributing. Half a dozen countries at the Stockholm conference voluntarily named amounts that they would be prepared to commit to this fund to be used basically for new environmental initiatives, not for trade loss compensation.

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EXTERNAL AFFAIRS

REPORTED REQUEST TO GROUP VISITING QUEBEC HOUSE IN PARIS TO REMOVE CANADIAN FLAG LAPEL PINS

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I wish to direct my question to the Secretary of State for External Affairs. Has the minister been advised that a group of Canadians, including Councillor Seguin of Hull, on a recent visit to Quebec House in Paris were asked by Quebec cultural delegate, Yves Michaud, to remove Canadian flag lapel pins on the ground that the wearing of these was provocative and that Quebec House was the soil of the province of Quebec? If so, what has the minister said or done about this incident?

Hon. Mitchell Sharp (Secretary of State for External Affairs): I have not heard this story before, Mr. Speaker.

* * *

TRANSPORT

REQUEST FOR REVIEW OF USE OF AUTOMATIC FOGHORNS

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Minister of Transport in connection with foghorns with laryngitis. In view of complaints that lives and property are being needlessly endangered by the new automatic type foghorn that the department is installing at certain locations—I cite Leonard Island lighthouse as an example—would the minister undertake an early review of the whole program concerning the use of automatic foghorns and give consideration to whether or not we should return to the old, reliable air horns that everybody had to listen to whether they wanted to or not?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I have already initiated this review since quite a number of fishermen on the east coast have made the same complaint to me. The alleged authorities on these matters say that there they are more effective, but the people who actually make use of them are arguing the point and I am trying to resolve these two differing points of view.

Inquiries of the Ministry

ROYAL CANADIAN MOUNTED POLICE

INVESTIGATION OF AUTOMOBILE ACCIDENT IN WHICH COUPLE FOUND DEAD IN CAR IN WATER DUGOUT INVOLVED

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to direct my question to the Parliamentary Secretary to the Solicitor General. It arises out of the disappearance of an elderly Holden, Alberta, couple last September 4 who were discovered in their automobile in a water dugout in the Peace River district last Sunday. In view of the fact that a motor vehicle accident had occurred and was reported on September 4 in the area where the couple's car was found, plus the fact that evidence now reveals that the couple's car was involved in a motor vehicle accident, may I ask the parliamentary secretary whether the Solicitor General has ordered a full inquiry into this incident in order to determine if there was an element of negligence on the part of the investigating body in regard to its failure thoroughly and adequately to investigate all aspects and details surrounding this accident at the time of its occurrence?

Mr. Douglas A. Hogarth (Parliamentary Secretary to Solicitor General): Mr. Speaker, I shall have to take the question as notice but I can assure the hon. member that a complete inquiry will be made by the Royal Canadian Mounted Police.

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[*Translation*]

FINANCE

INCREASE IN INTEREST RATES—POSITION OF GOVERNMENT

Mr. Henry Latulippe (Compton): Mr. Speaker, I wish to ask the Prime Minister a question.

I should like to ask him with all due respect whether financial institutions have increased their interest rate with the government's approval?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have too much respect for the hon. member to reply off-hand, and without consulting with the Minister of Finance.

But, Mr. Speaker, I should simply like to suggest that the hon. member should read again what the Minister of Finance said a few days ago, namely that government action has resulted in a decrease in bank interest rates last week.

* * *

[*English*]

NATIONAL DEFENCE

REQUEST THAT MEAFORD TANK RANGE SHORELINE BE MADE AVAILABLE FOR PUBLIC USE

Mr. P. V. Noble (Grey-Simcoe): Mr. Speaker, I have a question for the Minister of National Defence. In view of the fact that 148 miles of the shoreline between Wiarton and Collingwood are privately owned, leaving only two miles available to the public, will the government take the necessary action to make the 12 miles of shoreline within the confines of the tank range available for public use?

[Mr. Jamieson.]

Hon. E. J. Benson (Minister of National Defence): Mr. Speaker, I shall have to take a look at this proposition.

* * *

• (1500)

CAPE BRETON DEVELOPMENT CORPORATION

REQUEST THAT COMPULSORY RETIREMENT OF MINERS AT AGE 60 BE SUSPENDED PENDING DECISION IN COURT ACTION

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. In view of the fact that the president of the Cape Breton Development Corporation has stated certain matters cannot be dealt with because of litigation before the courts, will the minister ask the president to stop compulsory retirement at age 60 in that this question is also before the courts?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I will look into the statement by the president of the corporation.

Mr. MacInnis: Mr. Speaker, without going into great detail as to what the president of DEVCO said—and the minister can check it closely—in view of the fact the question of compulsory retirement at age 60 is now before the courts, does the minister not think the families of Cape Breton miners deserve this protection until the court case is decided?

Mr. Speaker: Order, please. Of course that is a representation by the hon. member to the minister.

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AGRICULTURE

FROST DAMAGE IN SOUTHWESTERN ONTARIO—INQUIRY AS TO COMPENSATION TO FARMERS

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Minister of Agriculture. Is he now in a position to make an announcement concerning restitution or any form of payment to the farmers in various parts of southwestern Ontario who had a large part of their crops destroyed by the recent unseasonable frost?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I do not have anything to add to the statement I made in the House yesterday.

Mr. Nesbitt: Mr. Speaker, has the minister received representations from the Ontario Flue-Cured Tobacco Marketing Board, in view of the fact that he failed to turn up at their meeting when he was making his tour to determine the extent of damage suffered by tobacco growers?

Mr. Olson: Mr. Speaker, the statement of the hon. member is incorrect. I met with some officials of the

Ontario tobacco marketing board and, by the way, a number of them were on the tour and meeting with me to view the damage in the area.

* * *

POLLUTION

LAKE WINNIPEG—INABILITY OF MANITOBA TO PROSECUTE CERTAIN FIRMS BECAUSE OF LACK OF AGREEMENT ON WATER QUALITY MANAGEMENT AREAS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Minister of the Environment. In view of the ruling a few days ago by a judge in Winnipeg that two chemical firms accused of contributing to the mercury pollution of Lake Winnipeg could not be prosecuted, in part because the relevant sections of the Canada Water Act have not been brought into force, does the minister intend to bring these sections into force in the near future?

Mr. Speaker: Order, please. Perhaps the hon. member might be allowed to ask a supplementary question. I am not sure whether his question was noted.

Mr. Orlikow: Mr. Speaker, I do not think the Minister of the Environment was listening to my question. Perhaps I could rephrase it. In view of the failure of the Manitoba government in its attempt to prosecute firms allegedly contributing to mercury pollution in Lake Winnipeg because a judge has said that no agreement designating water quality management areas has yet been entered into by the government of Canada with the province, does the minister intend to negotiate such an agreement in the very near future?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, these agreements depend not only on the initiative of the federal government but on the willingness of the provinces concerned to enter into such agreements. I have detected no such willingness on the part of Manitoba, for example. I might add parenthetically that had the Fisheries Act as now amended been enforced at the time of that spill—

Mr. Speaker: Order, please. This is in the realm of debate.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I should like to ask the Minister of the Environment how many water quality management areas have been set up in Canada in the more than two years since the act was passed.

Mr. Speaker: Order, please. That question should be placed on the order paper.

Inquiries of the Ministry

ADMINISTRATION OF JUSTICE

GROUNDS FOR TEMPORARY RELEASE OF CHARLES DAVID HEAD FROM PENITENTIARY

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, in the absence of the Solicitor General I should like to direct this question to the Minister of Justice. I refer to the question I asked yesterday as recorded at page 3291 of *Hansard*. My question was as follows:

> Would the minister make a full statement on motions in reference to the granting of the temporary release, indicating whether there was any supervision after the man was released and also setting out the rules, the law and the grounds by virtue of which this person was released in those circumstances?

I was asking for the ground rules applied in the case of temporary release. The Solicitor General answered:

> Mr. Speaker, I do not see any reason why I should comment on the private life of an individual at this time.

Subsequently the minister mentioned on television the history and criminal record of a certain person. In view of the fact that he said there was no question of this man getting a life sentence, I should like the Attorney General of Canada to check a report which appeared back in 1967 in a newspaper in Vancouver which stated that this man received a life sentence from Mr. Justice Gregory.

Mr. Speaker: Order, please. The hon. member should attempt to ask a question. I suggest, with respect, to the hon. member that the question might be put more briefly.

Mr. Woolliams: Mr. Speaker, I respect your ruling, but if I do not give the minister the facts he is not able to answer. I would ask him to check the record, in view of the fact the Solicitor General made a statement outside the House which he would not make here, in order to determine whether the man in question did in fact receive a life sentence at that time.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I am sure that on an appropriate occasion after the Solicitor General has ascertained the facts in regard to the situation he may make a report to the House. In the meantime, I must say I am not helped much by the hon. member's usual combination of accusations and garbling of the facts.

Some hon. Members: Oh, oh!

Mr. Woolliams: I see the hon. member for Calgary South laughing. He had a lot to say the other day. But let me put these facts to the Minister of Justice, because he appreciates that criminal records are confidential and are available only to the police or to the minister. I ask him whether—

Mr. Speaker: Order, please. I apologize to the hon. member. He was recognized for the purpose of asking a question. I did not gather that this was what he was doing but as I was rising he was asking a question and he may proceed.

Mr. Woolliams: Thank you for your help, Mr. Speaker. In view of the fact the Solicitor General gave facts outside the House which are available only to himself, will the

minister check the records to see if the facts stated yesterday are correct?

Mr. Lang: Mr. Speaker, I certainly do not think I should comment on what may have been said outside the House by the Solicitor General. I am sure that if the hon. member wishes to put the question properly to the Solicitor General when he is next in the House, it will be clarified.

Mr. Woolliams: Mr. Speaker, I now rise on a question of privilege. The Minister of Justice, having said that I garbled the facts—

Some hon. Members: Oh, oh!

Mr. Woolliams: Just a minute. Take your time and don't get excited. The Minister of Justice said I garbled the facts about the Solicitor General going outside the House and stating what he would not say inside the House. The minister not having checked the facts, I ask who has garbled the facts? When it comes to a question of credibility, the ministers have the records and we do not. Let us find out whether they are prepared to check these facts and give them in the House rather than on television like the Prime Minister does.

Mr. Speaker: Order, please. Of course that is debate.

* * *

POLLUTION

CHERRY POINT OIL SPILL—INQUIRY AS TO STUDY OF COST OF CLEAN-UP AND STEPS TO PREVENT FUTURE OCCURRENCE

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, my question is directed either to the Minister of Transport or to the Minister of the Environment. I am not certain which minister is responsible. It concerns the Cherry Point oil spill of a couple of weeks ago. Has either the Department of Transport or the Department of the Environment initiated a study of the recent oil spill to indicate the cost of clean-up, the adequacy of the clean-up and the adequacy of protective measures? If so, will a report of the results of this study be made to the House as soon as possible?

Hon. Donald C. Jamieson (Minister of Transport): Yes, Mr. Speaker, a study of this type is now a routine measure in such incidents in order for us to accumulate a body of additional information. There is no good reason why, once the facts have been assembled, they should not be made public.

CHERRY POINT OIL SPILL—UNITED STATES POSITION AT STOCKHOLM CONFERENCE REGARDING SIMILAR OCCURRENCES IN FUTURE

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I should like to direct a supplementary question to the Minister of the Environment concerning the deliberations at the Stockholm Conference. Did the United States commit itself at Stockholm to any future position which would apply in situations similar to the Cherry Point oil tragedy? Also, can the minister say whether the conference altered in any substantial way the United States policy, and what was the substance of the change, if any?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, a number of the principles endorsed at the conference would have a bearing on circumstances similar to those at Cherry Point both in anticipation and prevention of such incidents in the future, but certainly in respect of contingency plans, clean-up and compensation.

UNITED STATES REPLY TO RESOLUTIONS PASSED BY HOUSE OF COMMONS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I should like to direct a supplementary question to the Secretary of State for External Affairs. Has the minister received any reply from the government of the United States on the resolution passed by the House on June 9 in respect of the oil spill at Cherry Point, on the motion of the hon. member for Fraser Valley East, and also on the resolution unanimously passed by the House on May 15 on the motion of the hon. member for Skeena? If so, would the minister undertake to table copies of the replies from the government of the United States?

• (1510)

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the last time I was in the House I did say we had received a reply to the representations which the government made, supported by the resolution of this House, that the question of the movement of oil in the narrow waters of the Pacific coast should be referred to the International Joint Commission. That was turned down by the United States which instead has suggested it be referred to the committee on trans-border environmental problems, which will be presided over by my colleague, the Minister of the Environment, and the chairman of the council on the environment in the United States. So far as the resolutions of this House were to that effect, this is the reply from the United States.

Mr. Douglas: I have a supplementary—

Mr. Speaker: Order, please. The Chair will recognize the hon. member for a last supplementary, but there are only three minutes before the end of the question period and we must try to move along.

Mr. Douglas: Mr. Speaker, I should like to ask the minister whether he or the Minister of the Environment can give the terms of reference of the committee on trans-border environmental problems. Can the minister tell us when the committee is likely to meet, and will Canada insist that the question of the Cherry Point-Valdez route be an item on the agenda?

Mr. Sharp: My colleague can perhaps answer part of that question, but since he has been away I have had access to the messages received. The United States would like to refer to this committee what we had intended to refer to the International Joint Commission, which does include the question the hon. gentleman mentioned. We are concerned about present and prospective movements

of oil in that area and their consequence upon the environment. I think the terms of reference we had in mind for the International Joint Commission will apply to this committee, but of course there is a difference between a committee like this and the IJC.

* * *

[*Translation*]

LABOUR RELATIONS

QUEBEC—LONGSHOREMEN'S STRIKE—ESTABLISHMENT OF INQUIRY COMMISSION—POSITION OF PARTIES

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I have a question for the hon. Minister of Labour concerning the labour dispute in the St. Lawrence ports.

Since he met yesterday with both parties involved, I would like to ask the hon. minister if he told them he had proposed the establishment of an inquiry commission to find a solution to this dispute, and when he intends to do it?

[*English*]

Hon. Martin P. O'Connell (Minister of Labour): The question of the inquiry commission was discussed with both parties. I am meeting again with the Maritime Employers Association this evening for further discussions on this subject, as well as the prior conditions which are to be worked out between the two parties on arrangements for return to work and lifting of the suspension.

QUEBEC—LONGSHOREMEN'S STRIKE—SUGGESTION THAT MINISTER ADOPT GET-TOUGH POLICY

Mr. Lincoln M. Alexander (Hamilton West): I have a supplementary, Mr. Speaker. In light of the fact that the minister has used every approach possible, can he assure the House that when he meets with the parties this time he will have a get-tough policy, with government alternatives to settle this whole matter in the event the parties do not come to agreement within the next two days? When he meets with them this afternoon and this evening, does the minister intend to adopt a get-tough stance? Also, in light—

Mr. Speaker: Order, please. The hon. member has asked a question and he should allow the minister to reply.

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, we are proceeding on course. I have no intention of committing this Parliament to any action, and if that is what the hon. member is suggesting perhaps he ought to clarify his question further.

Mr. Speaker: Order, please. We have almost reached the end of the question period. The hon. member has a supplementary and will be recognized for that purpose.

Mr. Alexander: Mr. Speaker, I am surprised the minister has now placed me on the government side. We will be over there after the next election.

Some hon. Members: Oh, oh!

An hon. Member: What a dream!

Mr. Alexander: In light of the fact that public interests are being adversely affected, particularly in the city of Montreal and surrounding area, to the extent of $1 million a day, I again ask the minister whether he will get tough in this situation, because the public cannot afford it?

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

QUEBEC—LONGSHOREMEN'S STRIKE—SUGGESTED INCREASED USE OF PORT OF CHURCHILL FOR GRAIN SHIPMENT

Mr. Bill Knight (Assiniboia): Mr. Speaker, my supplementary is addressed to the Minister of Transport. In view of the great difficulty in moving grain through ports on the east coast, could the minister inform the House whether action is being taken to extend the use of the port of Churchill?

Hon. Donald C. Jamieson (Minister of Transport): To the best of my knowledge, as much grain as can be moved through Churchill is being moved through there. However, if there is a possibility of further shipment through that port we will look into the matter. I was advised by the National Harbours Board that they are looking into the matter of greater movement through Prince Rupert which can be done with the existing facilities.

[*Translation*]

QUEBEC—LONGSHOREMEN'S STRIKE—GOVERNMENT POSITION RESPECTING ESTABLISHMENT OF TRUSTEESHIP

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I have a supplementary question for the right hon. Prime Minister.

It refers to the question I asked him yesterday about the telegram from the Montreal Port Authority. Now that the right hon. Prime Minister has had time to read this telegram, can he tell us if he recommended to the government that trusteeship measures be instituted if the dispute is not settled soon, or if he intends to do so?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, I have read the telegram, but I must remind the hon. member that this telegram mentioned trusteeship at the same time as other measures that we should consider, and a choice was given to us. This is exactly what the Minister of Labour has done; he took other measures.

[*English*]

Mr. Speaker: Order, please. With the consent of the hon. member for Oxford who wishes to rise on a question of privilege, the hon. member for Crowfoot might be allowed to ask a supplementary; then we will go to the question of privilege and call orders of the day.

Inquiries of the Ministry

TRANSPORT

GRAIN MOVEMENT AND PORT FACILITIES—REQUEST THAT HOUSE COMMITTEE STUDY ANNUAL REPORTS OF CNR AND AIR CANADA

Mr. J. H. Horner (Crowfoot): Thank you very much, Mr. Speaker. I should like to direct my question to the Minister of Transport. It concerns the movement of grain and port facilities. Is the minister now in a position to direct the Standing Committee on Transport and Communications to study the annual reports of the CNR and Air Canada so that this whole matter can be gone into before the dissolution of this Parliament?

Hon. Donald C. Jamieson (Minister of Transport): I would think that would be a matter for the government House leader. I certainly have no objection, Mr. Speaker.

Mr. Speaker: Order, please. Before calling on the hon. member for Oxford I think it is my duty to again remind hon. members that the duration of the question period is only 40 minutes. I have the impression that some hon. members come into the House with the feeling that they have the right to ask questions every day. I see them coming into the House armed for the purpose of asking questions. I do not think it is fair to other hon. members that they should have to wait day after day for an opportunity to ask their questions. I think that some day the Chair will have to exercise its responsibility, forget about the first and second rows, and call on other members.

Some hon. Members: Hear, hear!

Mr. Speaker: I notice that the cheers come from the third, fourth and fifth rows. The hon. member for Oxford on a question of privilege.

Mr. Nesbitt: Mr. Speaker, my point of personal privilege refers to a question I asked earlier today of the Minister of Agriculture concerning his meeting with the Ontario Flue-cured Tobacco Marketing Board. The minister informed the House that he did meet with the board and that they made certain representations. I have in front of me a copy of the Tillsonburg *News* for Monday, June 19. It refers to the minister's visit to that area on Friday, June 16 last. The report reads in part as follows:

> Mr. Olson was scheduled to appear at the head offices of the Ontario flue-cured tobacco growers' auction exchange about 4 p.m. on Friday, and there were the chairman and vice-chairman of the board, directors, committeemen, farmers—

Mr. Speaker: Order, please. Would the hon. member kindly indicate his question of privilege? The hon. member knows that a dispute between members as to fact has nothing to do with parliamentary privilege. I think I should remind hon. members that we are to hear from the Leader of the Opposition in the supply debate this afternoon.

• (1520)

Mr. Nesbitt: The point I am coming to is that the minister misled the House in his reply. There is no argument about that. I asked him a question and I think the minister might like to revise his answer.

[Mr. Speaker.]

Mr. Speaker: Order, please.

Mr. Olson: The answer I gave was accurate, Mr. Speaker.

Mr. Speaker: Order, please. Again, that is a dispute as to facts. I suggest to the hon. member that it is not a question of privilege. Orders of the day.

Mr. Bell: Mr. Speaker, I have a suggestion to make regarding the length of speeches today.

Mr. Speaker: The hon. member for Saint John-Lancaster is rising on a point of order regarding the length of speeches. I suggest this can be raised once we have called the order for this afternoon.

Mr. Bell: Mr. Speaker, my idea was not to have this time taken out of the opposition day. I am following the example of the hon. member for Winnipeg North Centre who has done this on many occasions. I propose that speeches be limited to 30 minutes in the case of the first speeches by the official opposition and the government, 20 minutes for the major spokesmen of the other two parties and that all other speeches be limited to 15 minutes. I also propose that we negotiate, in the way we have successfully in the last few days, for the remaining time.

Mr. Knowles (Winnipeg North Centre): We agree, Mr. Speaker.

[*Translation*]

Mr. Fortin: We are in agreement, Mr. Speaker.

Mr. La Salle: I agree, Mr. Speaker.

[*English*]

Mr. Speaker: Apparently there is agreement.

Mr. La Salle: On division.

[*Translation*]

Mr. Speaker: The hon. member for Joliette agrees.

[*English*]

There is agreement, and it is so ordered.

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED FAILURE OF GOVERNMENT TO PROCEED WITH POSITIVE LEGISLATIVE PROGRAM

Hon. Robert L. Stanfield (Leader of the Opposition) moved:

> This House regrets the failure of the government to proceed during the current session of Parliament with a positive legislative program; and particularly regrets its failure to carry out the program proposed in the Speech from the Throne on February 7, 1972, and adopted by this House, thus betraying the trust placed by this House in the ministry to provide adequate measures to meet the needs of Canadians.

He said: Mr. Speaker, the issue at stake in this motion is really whether one can place any confidence in the undertakings given by this government, because in going into this session of Parliament the government was committed

to action on a number of measures outlined in the Speech from the Throne and in the list of proposed legislation which the government circulated at the time the Speech from the Throne was presented. In addition there were, of course, left-over promises and commitments from the previous session. The major one of these, by the way, seems to have disappeared completely.

As to the previous session, may I remind the House that in the third session of this Parliament 14 bills were introduced but were not passed. In other words, time in the House was consumed during the third session on 14 bills which did not pass. In addition, during the third session of this Parliament, the session previous to this one, there was a total of 21 bills in the list of bills to be introduced but which in fact were never introduced, and most of these have never come to light since then.

In other words, during that session of Parliament not only was a lot of time lost on 14 bills which were taken part way and dropped, but in fact 21 bills which were supposed to be introduced, according to the assurances of the government, were never introduced and for the most part have not been introduced to this day. So it is not just a question of this session, it is not just a matter of the government saying that we are only part way through this session, because we have been here since the middle of February.

Looking at the list of legislation that the government proposed and the other bills that were not on the list, the scoreboard goes something like this in the present session: there were 29 bills on the list; five that were not on the list have been introduced, for a total of 34. Of this total, only five have been passed although we have been here since the middle of February, and others are at various stages ranging from first to third reading. Some of the late arrivals, of course, are obviously being used simply as showcasing for some possible election platform.

The most significant left-over commitment was the one made by the former minister of finance, in the other place to the Senate Banking, Trade and Commerce Committee on December 20, 1971. The former minister appeared in the other place at that time in order to seek quick passage of the so-called tax reform bill which was at that time being railroaded through this House by means of closure. The finance minister of that day had indicated to the committee several areas where he said it was—

—felt that amendments were necessary both along the lines that the Senate committee had indicated and in other areas.

The minister said that these amendments could not be presented during January and February. But here we are, approaching the end of June, and we have not seen any of these amendments yet. The former minister of finance made the commitment that amendments would be introduced in the Commons as soon as possible to cover these areas in the so-called tax reform bill. Such a bill has never appeared and to my knowledge there has been no indication of what the amendments are to be.

It is appalling to me that there seems to be absolutely no concern on the part of the government about the confusion and damage to the economy resulting from this exhibition of bad faith and incompetence. This is a breach of promise, unquestionably, and a serious breach of the trust that members of this House, members of the other place and Canadians generally should be able to place in the intentions of the ministers concerned.

Then we come to the intentions regarding new and revised legislation that were expressed by the government. I do not propose this afternoon to run through the whole catalogue myself but there are a couple of assurances, a couple of measures of a most serious nature which I want to discuss in some detail. Foremost in this regard we have the promise in the Speech from the Throne of an industrial strategy. As reported in *Hansard* of February 17, it was to be "an industrial strategy prepared for the peculiar character of the Canadian economy".

I want to be fair to the Minister of Industry, Trade and Commerce (Mr. Pepin). I am sorry he is not in the House this afternoon. I will not say anything in any way abusive so far as the minister is concerned, although some of my remarks may appear to be critical. He told us in the House on June 6 that such a strategy would be forthcoming later rather than sooner. I can see the minister's difficulty. Designing an industrial strategy for the peculiar character of the Canadian economy is one thing; trying to sell to the public the idea that you have any kind of strategy, taking into account the peculiar state of the Canadian economy after four years of this government, is quite another thing.

Let us consider the state of the economy. "Peculiar" is perhaps too charitable a word. Today unemployment, which we have had for some time, is in excess of 6 per cent, seasonally adjusted. We have consumer prices running some 5 per cent higher than a year ago. And we have the Canadian dollar rising above the level of the American dollar, despite the fact that we also have a deteriorating position in our foreign trade. We have a floating dollar which, it was always said, would give us more ability to pursue an appropriate domestic economy policy. But we have the Minister of Industry, Trade and Commerce saying that we have no capacity today to increase the purchasing power of Canadian consumers through direct Canadian government policy.

• (1530)

What we have is surely an unparalleled combination of conditions. To achieve all three of these contradictions simultaneously in only one term of office is surely a mark of the brilliance of the government. In sports circles the achievement of these three contradictions at one time could be called a hat trick, but in no circle could it be presumed to be the result of any deliberate economic strategy.

Who could be operating on the basis of such a strategy and end up with high unemployment and a high rate of inflation at the same time, coupled with a rising Canadian dollar, associated with a deterioration in our trade position? The Minister of Industry, Trade and Commerce and the Secretary of State for External Affairs (Mr. Sharp) tell us that there is absolutely no point in reducing personal income tax in order to put more money in the hands of the Canadian consumer and thus spur job creation in Canada, because they say the increased purchasing power would only be used to buy imported goods. Whose fault is that?

Why are imports currently cheaper than domestically-produced goods? Who ever told us that the floating dollar was supposed to increase our ability to manage our own economy? Who told us, following the last international monetary meeting, that our dollar would not float up to a level that would be injurious to our exporters and at the same time make imports more attractive in price competition with our own products? Who gave us those assurances? Where is the strategy of a government which set up a situation whereby, by its own admission, we now have less capability to take proper stimulative measures to deal with unemployment? The government has brought this about, even though we were told we would have more flexibility to do our own thing.

We have a floating dollar, but according to these ministers we have no capability to expand consumer demand in Canada. The government has reached the stage where it is simply wallowing around in its own contradictions. We not only have unemployment and inflation—we have sort of got used to that—and we not only have our dollar rising, but at the same time we have a deteriorating position in our trade. We are not used to the latter; that is a rather novel condition in Canada. Thirdly, although a floating dollar was supposed to give us the capability in Canada to expand our economy as we saw fit, or contract it, we are now told by the government that we have no such capability today.

It is no wonder that the Minister of Industry, Trade and Commerce now talks about announcing an industrial strategy policy later rather than sooner. But the announcement we are all awaiting, Sir, is the one from the Prime Minister (Mr. Trudeau) setting the date for a general election—because based on the record and the state of economic affairs at this time, and the complete incapacity of the government to live up to its undertakings, we can only hope that that announcement will come sooner rather than later.

Surely as a first step toward being able to develop and implement a national industrial strategy a government must have its own house in order. It must have the will and the capability to co-ordinate the whole range of policies involved in such an undertaking.

Mr. Stafford: We have that.

Mr. Stanfield: The government has the capability to create more contradictions in our economy than any previous government in Canadian history. It has exhibited neither the will nor the capability to reconcile the different aims in our country. On the contrary, we have seen example after example that this is likely to be the most unco-ordinated government that ever came to office in Canada. We have seen national economic slowdown policy in conflict with regional development policy. We have seen fiscal and monetary policy in conflict with trade policy. And we have seen a tax reform policy and a so-called competition policy which have unsettled the entire private sector of the economy. Talk about the right hand not knowing what the left hand is supposed to be doing! Here we have a situation where the right foot and the left foot keep colliding in going into the same mouth.

Where do the provinces fit into the government's planning, or lack of planning? Again, in terms of industrial strategy it appears that a number of provinces are trying to shape some basic policies of their own in the absence of any federal initiative or any indication of where the federal government is going. This was the position expressed by the Premier of Alberta in a major address to the legislature of his province. I do not think that premier was being partisanly political in his remarks. His message seemed to me to be very moderate and responsible. His government would like to see some leadership in this area from the federal government, but in the meantime his government would have to make some moves on its own.

Indeed, what else can any province do? The federal government has not even indicated what it means by "industrial strategy." On that score it cannot play the old trick of throwing the ball back to us, because in my remarks during the Throne Speech debate I gave a pretty full accounting of what my party believes this term to involve and the goals we would associate with the pursuit of such a strategy.

But the government, Sir, has not given us any definition, has not given us any idea of what its concept is. I would like to know if the government envisages making a selection of industries which have good futures, or making a selection of certain sectors which it decides have good futures and encouraging those industries or sectors. Is that the sort of strategy the Minister of Industry, Trade and Commerce has in mind? I do not know. But I am certain of one thing at this point, and that is my very frank scepticism of the government's capacity to follow through on its promise in the Speech from the Throne that it was going to present this country with a strategy for economic development.

For example, we were promised "policies for the use of science and technology designed to contribute not only to industry but to the qualitative improvement of the life of Canadians." Where are these policies, Mr. Speaker? Nobody can say. Nobody knows where they are. These days the only spokesman on the government side—I do not know whether he is on the government's side, but he sits on that side of the House—regarding any kind of strategy position is the hon. member for Duvernay (Mr. Kierans). He says that we have plenty of manpower and a scarcity of capital. I am not overlooking the proposals made by the hon. member for Trinity (Mr. Hellyer), but I am referring now specifically to the hon. member for Duvernay.

• (1540)

Mr. Béchard: Take both of them with you.

Mr. Dinsdale: His heart is not over there, either.

Mr. Stanfield: Somebody on the other side is offering both these hon. members to us, but I do not know if he has authority to do that or if he has direction over their decision. I think he had better concentrate on getting some action from this government.

The hon. member for Duvernay says that we have plenty of manpower and a scarcity of capital, and that therefore we should develop labour-intensive industries with a vengeance and withdraw emphasis altogether from the field of resource development. Whatever else it may do, I hope the government will not take this attitude in

any extreme way. If this line of thought were followed to its logical conclusion, we would end up as a nation specializing in handicrafts.

The former minister says that we should back off development in our resource industries because they are capital intensive. Mr. Speaker, I should like to ask hon. members whether the provinces of British Columbia and Alberta, whose economies are based upon resource development, should be subjected to some kind of limitation in this respect. I should like to ask whether the standards that the people of those provinces have achieved through resource development are in some way considered to run contrary to the national interest.

I would find it difficult to agree that the search for minerals off the coast of the Atlantic provinces and the development of such resources would be contrary to the interest of that part of Canada or to the interest of the country as a whole. Surely discouraging such development is not in the national interest.

Some hon. Members: Hear, hear!

Mr. Stanfield: I think we should recognize, too, that manufacturing is increasingly becoming capital-intensive and that labour-intensive manufacturing operations are finding it more and more difficult to compete with countries which have more labour which costs less than in this country. I suggest that this approach, pushed to any extreme, would be a rather strange way to lead Canada into the technological age. A large proportion of the employment of this country is in the service industries. I suggest that the search for and the development and exploitation of resource industries provides a large market for sophisticated service industries.

I agree that we will see a capital shortage in this country during the 1970s. We have only to look at the requirements for the development of electrical power, the expenditures proposed by the telephone industry and the increasingly capital-intensive nature of our industries generally. There is also the fact that farms are becoming capital-intensive, in addition to the requirements of what we generally refer to in this country as social capital.

There will be a tremendous requirement for capital in this country in the 1970s. I do not think we can allow the inward movement of capital to keep the dollar at a level inappropriate for the development of trade and, therefore, employment. The inward flow of capital that we have seen in recent months is holding up the dollar. It is not due to investment in resources, in manufacturing or in any other kind of industry. Investment in industrial development in 1972 is very little higher than it was in 1971; in fact, it is so disappointing that the Minister of Finance (Mr. Turner) devoted most of his budget to an effort to increase the rate of investment in Canada.

Today we have the rather weird situation of a very high demand for short-term capital which is not associated with any increase in industrial investment. It seems to me that the government has turned the country upside down. This demand for short-term loans is not associated with investment in industry. Our short-term rates are high.

Mr. Speaker, if the Minister of Finance should succeed, what are the government's plans? What shall we do when investment is increased to the rate I would like to see it and the rate that I believe the Minister of Finance would like to see it? We shall need large sums of capital to support this investment which the minister is seeking. How does the government propose to cope with that situation and the effect it may have on the dollar?

How do we establish our priorities so that we can limit this inward flow of capital to levels which will not maintain the dollar at a level that is totally inappropriate for a decent level of employment? We will then have the requirements of industry added to those of the government. While the Minister of Energy, Mines and Resources (Mr. Macdonald) has referred to the importance of phasing pipeline development in this country, that is only one aspect of the problem. We recognize that our problem goes far beyond that.

If we are going to talk about economic strategies for development, we have to work out priorities for capital—and not in what I would call the simplistic manner put forward by the hon. member for Duvernay. Despite all its task forces, this government has done no work at all on this program except, perhaps, in consideration of the proposal mentioned by the Minister of Energy, Mines and Resources with regard to phasing pipeline development.

In other words, the government has not only helped create and tolerate contradictions in our economy, but we seem to be moving completely in the dark. Not only is there no indication of an industrial strategy but there is confusion about tax amendments which the government has failed to produce and the commitment of a competition policy which has been deferred until the fall. Nobody knows what is happening in regard to that, and nobody can make any plans about what mergers might be possible to meet our competitive position in the world. This is the kind of confusion that has been created by the government—starting a certain course, giving certain assurances, then backing away and failing to deliver the goods.

One bill that was proposed in the Speech from the Throne and did see the light of day was the foreign takeover legislation. Perhaps this revolutionary and forward-looking piece of legislation is the reason all the other promised pieces of legislation have not materialized. I can imagine the cabinet putting so much time into this one glorious effort that it just could not get around to anything else. I do not want to joke about this, Mr. Speaker. I presume it cannot be easy and it would take years of work and reams of recommendations, including the document prepared by the Minister of National Revenue (Mr. Gray), to distil it into relative insignificance.

• (1550)

This task would, understandably, leave no time for the reconsideration of competition policy, for the preparation of income tax amendments or for the job of preparing an industrial strategy. It would leave no time for fulfilling the promise of an amending bill with respect to tax legislation and it would leave no time, of course, for the other matters that will be discussed by other members during the course of this afternoon's debate. This is all very understandable.

As things now stand, I suppose this session would have to be called "the takeover session" in tribute to the gov-

ernment's unique accomplishment in this field, an accomplishment we had looked forward to for so long. With any luck, Sir, an election will come soon. That will be followed by another kind of takeover session and I think most Canadians are looking forward to that.

Mr. David Lewis (York South): Mr. Speaker, under the order the House made earlier today I shall have only 20 minutes in which to deal with the subject of the motion. This debate might be considered, I suppose, as a Throne Speech debate in reverse. I shall not have enough time to cover all the ground I should like to cover.

Mr. Stanfield: Call it a second look debate.

Mr. Lewis: I wish to begin by quoting briefly four passages from the Speech from the Throne. That speech grandiloquently said:

> This country fails in its essential purpose if it does not ensure that its most precious resource, human talent, is not wasted away.

The Throne Speech sounded the bell when it said:

> Job opportunities must be found and income uncertainties overcome if all Canadians are to share in the richness of this land.

They were fine words. The Throne Speech dealt with the north of Canada and it said, with a great beating of its breast, if a Throne Speech may be said to beat its breast:

> —development will not be permitted at the expense of the northern peoples and the northern environment.

Then the Speech from the Throne announced the following:

> Another step, and long overdue, consists of policies to ensure the equality of women in Canadian society. These will be announced this session.

We are still awaiting that announcement. The reason for my repeating these sentences, fine in spirit, banal in thought and meaningless so far as action is concerned, is this: the Throne Speech of last February was another example of the way in which the Prime Minister (Mr. Trudeau) and his associates have tried to persuade the people of Canada over the last four years that they can look forward to real progress in achieving a decent, humane, human, just and compassionate society. All these adjectives the Prime Minister has used at one time or another. As I said in the debate on the address in reply to the Speech from the Throne, anyone looking at the country today would be right in saying, as I did, that the Trudeau years have been wasted years.

I ask you, Mr. Speaker, and the people of Canada to look at Canada in June, 1972, and compare it with the Canada of June, 1968, when the people, with a great deal of hope, said to the present Prime Minister, "You look like a swinger; you look like a modern man. We will vote for you and give you power." Let us look at the country and see what has happened to this swinger in the last four years.

Unemployment in 1972 is very much worse than when the present government took power. Progress in housing has been almost negligible in terms of meeting the needs of the Canadian people for homes.

An hon. Member: That is not right.

[Mr. Stanfield.]

Mr. Lewis: No progress has been made in setting up machinery for planning our urban centres and avoiding the planlessness, overcrowding and unmanageable pollution from which the larger centres in this country suffer. Consider pollution, a subject we discussed earlier today. In that area we have passed some laws which have not been proclaimed. We have passed some laws that were proclaimed, but the regulations have not been brought down. The Minister of the Environment (Mr. Davis) has been attending a convention in Stockholm and playing the hero there. There has not been—I say this dogmatically, believing it to be true—a single significant step either to stop further pollution or to clean up the pollution of our rivers and lakes across Canada.

Some hon. Members: Hear, hear!

Mr. Lewis: We are no better off in 1972 than we were in 1962.

Let us consider our young people. What has happened to the young people of Canada, many of whom supported the Prime Minister in the mistaken illusion that here was a man who might do something for them, who might break down the disenchantment they felt and bring to an end their feelings of isolation, alienation and that they were not participating in society. How has this Parliament, under the direction of the government, treated the young people of Canada? It has treated them this way: for 24 months, consecutively and continuously, between 40 per cent and 48 per cent of our unemployed people have been under the age of 25. Consecutively, every month for 24 months youngsters of 16, 17, 18, 19, 20, 21, and so on have left school, left college, left university and wandered across this country without a place in society, without any feeling that they are part of a social system to which they may contribute.

Consider all the bitterness, resentment and hopelessness which that kind of condition brings. Mr. Speaker, I am not talking about a thousand youngsters, I am not talking about 50,000 youngsters, I am not talking about 100,000 youngsters; I am talking about a quarter of a million and more young Canadians who are under 25 and who find themselves in this hopelessly desperate condition after four years of government by the swinger who fooled the Canadian people into electing him their Prime Minister.

Consider what has happened to the poor people. In any conceivable, real sense has their condition improved? Not at all. They still form approximately 24 per cent or 25 per cent of Canadians who live below the line of poverty. They are in precisely the same bind they were in four years ago; they are not one whit better off.

If you think of the independence of Canada, of the future of Canada as a nation standing on its own feet, what do you see? All you have seen in the last four years is a continuing erosion of Canadian economic independence, a continuing spreading of the foreign takeover of this country, the continuing control of our economy by foreign hands. The proportion of our businesses owned by foreigners has now become greater than it was four years ago. To answer this important, serious and indeed crucial problem affecting the future of Canada the government has brought down a bill that has no meaning, no relevance

and no teeth. Indeed, the foreign takeover bill that is now before a committee of this House is without sense.

According to reports I have read in the press, the only amendments the Minister of Industry, Trade and Commerce (Mr. Pepin) has introduced with respect to the foreign takeover bill have been those that the Canadian Manufacturers Association and the Chamber of Commerce have required. These amendments would raise the floor, so that more takeovers can take place or pass even that limping screening process which the government has proposed in that bill.

I, as the leader of my party, in common with other Members of Parliament and in common with the Leader of the Opposition (Mr. Stanfield), travel across this country a good deal. I say to the government and to members of the House who are listening to me that I do not say these things with pleasure. My colleagues in my party are not asking me to say these things with any great glee or any degree of pleasure. I say them with sorrow, regret and pain. I say them when I travel across the country.

For a few days near the end of last week I travelled to the area represented by the President of the Privy Council (Mr. MacEachen), who apparently will speak on behalf of the government later today. I have visited Cape Breton Island, the province of Nova Scotia and other parts of the country over the years and have found that exactly the same kind of problems beset the people of Nova Scotia and the people of the area which the minister represents. I find that in 1972 the condition of the people of Cape Breton is no better than when I visited the island in 1938. Indeed, Mr. Speaker, it is worse because in 1938 and for many years after that I spoke to audiences in Cape Breton and in the audiences there would be some young people. It is almost impossible to find young people today on Cape Breton Island, except those still going to school, because there is no opportunity for a young Canadian to build himself a life in that part of the country. The same is true of many other parts of Canada from coast to coast.

• (1600)

When one travels across this country one meets, as I did the other day in Vancouver, groups of old age pensioners who simply cannot live on what they receive from the old age pension, even if they should receive the total guaranteed income supplement. Many of them complain to me that because of the way in which the rules are written and applied it is difficult for them not to try to hide a few hundred or a few thousand dollars which they may have saved throughout a lifetime of work. If they expose this money as being theirs, they will be even worse off than they are now—and they are bad off as it is.

I ask myself, this Parliament and the people of Canada how these things occur. Why has this government failed so miserably and dismally in improving the conditions of the people of Canada? In endeavouring to carry out the first goal which I cited from the Throne Speech, why has this government failed in its essential purpose? It is because it has not ensured that its most precious resource, human talent, is not wasted away.

Why does this happen? Since I only have about five or six minutes left, I will give a brief answer. It is that this government is totally corporation oriented. No matter what piece of legislation it deals with, and no matter what area of activity it enters into, the first consideration of this government is the corporate sector of society and the handouts it can give to that sector. Every time you ask for an improvement in the quality of life for the people of Canada, there is no money available. However, the Minister of Finance (Mr. Turner) has no hesitation in bringing down a budget in which he makes a $500 million gift to the corporations of this country one year and $700 million the second year. He has no hesitation in handing out hundreds of millions of dollars to the corporations, but every time one asks for an improvement in the quality of life of Canadians there is no money for it.

I have added up what this government gives to corporations. Including tax write-offs, tax holidays, depreciation write-offs and depletion allowances that it gives to corporations in this country, the government pays out every single year more than $2 billion to corporations.

When speaking to the Social Development Council in the city of Quebec, the Minister of National Health and Welfare (Mr. Munro) had the nerve to say that we must have selectivity; we cannot have universality and we cannot improve the lot of the poor in Canada sufficiently, because if we try to do that the middle-class will have to carry the tax burden. The people—I use the word "people" in the legal sense—who ought to carry the tax burden in this country and who do not carry their fair share are the corporations. They get away with murder.

Some hon. Members: Hear, hear!

Mr. Lewis: Forty-six per cent of the corporations in Canada—I am talking about large corporations—pay not a single, solitary penny in taxes. Poor Shell Oil, the large, poverty-stricken, penniless, multinational corporation,, made $250 million in profits over a period of five years and paid not a single, solitary cent in taxes to the federal treasury! Falconbridge Mines made a similar amount of money over a similar period and paid $15 million in income tax to the federal treasury. That is a rate of about 7 per cent. Having done that, they received a $4 million grant from the federal government.

This is the kind of situation the people of Canada face. This is the truth they have to be told. This government is corporation oriented. If the government would stop giving these handouts to the corporations of Canada, it would have the money to increase contributions to our needy people; it would have the money to cut income tax for those making less than $10,000 a year. These people would spend every penny available to them and really make the economy hum by increasing the total aggregate demand.

It is a government, as it is a system, of corporate rip-off. It is a government whose party is financed by 95 corporations. I say to the corporations that they are smart; they are getting a good return for every one of the $30,000 they give to the Liberal party.

Some hon. Members: Hear, hear!

Mr. Lewis: This government is concentrating on the large private businesses of this country, letting them carry on and depending on them to provide the jobs, goodies and generosity which they have in their good hearts. I do

not know where the Minister of Finance or anyone else finds good hearts in the corporations, when I find it difficult to find any heart at all, but they always do. The time has come for the government of this country to become people oriented instead of corporation oriented. The time has come when all the laws and policies of government have to be directed toward the people of this country, particularly those who work for a living in factories, offices, on farms, in the mines, fishing or whatever. The time has come for the government to change its attitude and direction. So long as we have a government of the kind we have across the way, so long will there be failure in Canada doing its major job, which is to make sure that its human talents are not wasted.

My eyes wander along the aisle to the Leader of the Opposition and the people who surround him. I ask myself, are they capable of changing the direction of government in this country? The answer is obviously no. No matter how deep one's regard may be for the Leader of the Opposition, and I have great personal regard for him, he is no different from the Prime Minister of Canada.

Some hon. Members: Hear, hear!

Mr. Lewis: In the Leader of the Opposition there is not the slightest difference from the Prime Minister of Canada.

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

Mr. Lewis: As far as his policies and philosophy are concerned, there is not the slightest difference. The Leader of the Opposition expresses himself a little differently. His mother tongue is different. He comes from a different part of the country. In opposition he sounds serious about wanting to do something for Canada, just as the Prime Minister sounds serious about wanting to do something for Canada. I say to him, if you want to find a time when unemployment was as high as it is now, you will find it during the term of office of the previous Conservative government. I ask myself what the Leader of the Opposition would do about foreign control of the economy. The answer is obvious: he would appoint Steve Roman, of Denison Mines fame, as minister of industry, trade and commerce to screen takeovers in Canada. He would certainly have the kind of man who would protect Canada's economic independence.

• (1610)

I was not in the House yesterday because I was returning from a western tour, but on looking at yesterday's *Hansard* I noted that the Tories moved a motion condemning the incentives program of the government. The hon. member for Prince Edward-Hastings (Mr. Hees), who undoubtedly is slated for a portfolio if the people of Canada are blind enough to elect the Conservatives into power—it does not require any more blindness than was the case previously—urged that the corporate tax reduction announced in the budget to come into effect on January 1, 1973, be implemented right away as of July 1, 1972. His corporate friends do not have even the patience to wait until next January. The corporate friends of the Minister of Finance were told they would have to wait six months, but the hon. member for Prince Edward-Hastings cannot wait that long. He wanted further tax incentives for corporations in order to improve productivity.

When we of the New Democratic Party proposed that pensions be increased to a level of $150 a month, the Leader of the Opposition told a group of pensioners—so I was told in Vancouver—that that figure was too high to be acceptable to him, that the country could not afford it. In my opinion—I say this knowing that it will be offensive, but I cannot help it; I have to speak the truth as I see it—

Mr. Jerome: We know you cannot help it.

Mr. Lewis: —the Liberal and Conservative parties of this country are both corporation oriented. Their concern for the people is secondary, and so long as they are in power it is the people who will suffer.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I just heard the list of future Progressive Conservative cabinet appointees. I could perhaps in turn give that of the future New Democrat cabinet, if that party ever comes to power: Michel Chartrand, Minister of Labour; Marcel Pépin and Louis Laberge at the Department of Education, Yvon Charbonneau to get the provinces to agree with Ottawa, and Raymond Laliberté, probably special adviser to the Prime Minister—undoubtedly the hon. member for York South (Mr. Lewis).

Mr. Speaker, those shadow cabinets will not change the situation which prevails today in Canada. However, I find very surprising the motion of the Leader of the Opposition, which reads as follows:

> This House regrets the failure of the government to proceed during the current session of Parliament with a positive legislative program; and particularly regrets its failure to carry out the program proposed in the Speech from the Throne on February 17th, 1972, and adopted by this House, thus betraying the trust placed by this House in the ministry to provide adequate measures to meet the needs of Canadians.

Mr. Speaker, now the Leader of the Opposition blames the government for not having enacted the intentions expressed in the Speech from the Throne; yet, he was completely opposed to that speech when it was given on February 17 last. The behaviour of politicians is sometimes strange. That is why I was not surprised, yesterday or the day before, to hear that the hon. Leader of the Official Opposition had gone to the zoo in Granby. That is where he won such wonderful support in the province of Quebec.

Mr. Speaker, the Address in reply to the Speech from the Throne was moved by the hon. member for Bruce (Mr. Whicher) and seconded by the hon. member for Trois-Rivières (Mr. Lajoie). The Leader of the Opposition, as reported on page 34 of *Hansard* for February 18 1972, moved the following amendment:

> —we respectfully regret that your government has not only failed utterly to provide an economic climate in which Canadians can have confidence in the future and to give protection to Canadians against the isolation of individuals caused by economic deprivation but, in fact, has deepened the gap between the affluent and those in need.

The amendment moved by the Leader of the Opposition was justified. The leader of the New Democratic Party introduced an amendment to that amendment on February 18, as reported on page 45 of the House of Commons Debates. It read as follows:

—and in particular has taken no effective steps to relieve the serious unemployment situation that has affected Canadians in all parts of this country throughout its term of office.

It referred to this government. Mr. Speaker, the amendment was put and the Leader of the Opposition as well as the Progressive Conservative members and those of my party voted in favour of it.

Later on, that is on February 22, we introduced the following amendment to the amendment:

• (1620)

That the amendment be amended by striking out all the words after "economic deprivation" and replacing them with the following:

"resulting from the absence of any monetary reform tailored to the needs of the Canadian society."

It was put on February 23, as recorded on page 195 of *Hansard* and the Progressive Conservative as well as the New Democratic members voted in favour of the monetary reform which we proposed in order to meet the needs of the people.

On February 23, the amendment of the Leader of the Official Opposition was put. We voted, as the members of the Progressive Conservative party against the Throne Speech. However, the Progressive Conservative members are now asking the government to carry out the measures outlined in the Throne Speech, while they voted against it. We do not find that quite logical.

Something is missing somewhere. It may be sincerity or perhaps understanding. Terms are misunderstood. Something is not going right. You are either for or against something. If you are against it, let us not come back two months later and say: We condemn you for not having applied what we were opposed to.

Mr. Speaker, this is about what is happening. By introducing the amendment, they are saying to this government: You are incompetent, you did not apply the measures contained in the Throne Speech. And yet, the Progressive Conservatives were asking this government not to apply them because they were worthless.

Mr. Speaker, I realize that parliamentarism compels the opposition to say "no" when the government says "yes", in some cases, but I do not think that this is an efficient way of opposing an inefficient government. When a government fails to keep its promises or meet its commitments, it is up to us to tell it so. But if we object to its taking a certain course and then later blame it for not having done so, I am at a loss to understand and can make neither head or tail of it. Let us be consistent.

We voted against the Speech from the Throne because we sincerely felt it did not contain adequate measures to meet the needs of the population of Canada in all fields of economic activity.

In that speech everything was mentioned: taxation, fiscal reform, etc. This last is being applied by way of taking from the haves and giving to the have-nots, purporting to enrich the poor by impoverishing the middle class. Finally, we shall discover that we have yet more poor, that we have no middle class left because it has been taxed into oblivion. We have got to the point where we are taxing taxes.

Mr. Speaker, it is clear that there is a tendency to eliminate the middle class solely for the benefit of the rich people, because the poor do not get anything out of it. Old age pensions have been raised recently. The increase meant only $2.80 more per month for the have-nots, which is not enormous. Old people will not be able to raise their standard of living with that amount, even though pensions from now on are going to be tied in with the cost of living. It means that every time the cost of living will go up 1 per cent pensioners will get an increase of 80 cent a month.

Mr. Speaker, the Speech from the Throne dealt with taxation. We have fought in this House the new taxation which is, furthermore, accompanied by income tax forms which are a hundred times more difficult to understand than the previous ones, to the extent that some accountants are completely baffled. They have to check and recheck time and again their audits. In the budget speech, the government has undertaken to reconsider the tax forms so that they might become more understandable. This is a bureaucratic "gimmick". Yes, it creates jobs.

Mr. Speaker, as the Leader of the Opposition pointed out, the Speech from the Throne advocated passage of 34 bills, five of which have been adopted since February while 29 others are still on the order paper and have not yet been dealt with.

For instance a new formula should have been submitted concerning federal-provincial relations, but the government is hesitating. Improvements should have been made in agriculture and increased aid provided to our youth, to the Local Initiatives Program as well as to the retraining of the unemployed to enable them, at least, to become more educated unemployed, but nothing has materialized. Aid to youth has decreased from what it was last year and the problems have not been lessened either.

I said yesterday that of the 17,000 projects under the Local Initiatives Program, only 5,000 had been accepted; that more than 19,000 projects under the Opportunities for Youth program had been submitted to the government and a little more than 3,000 of them had been approved. We are up against a stone wall. We are repeatedly told: We have no money to approve more projects.

Mr. Speaker, the industrial strategy for Canada has been also dealt with and the more we discuss this project, the more plants and industries are closing down, not only in one specific province, but all over Canada. Plants are closing down because products are not being sold. This is what industrial strategy is all about!

And while plants are closing down, workers, such as those of the textile industry in the Eastern Townships are asked to go on pension at the age of 54, not on their present salary, but on part of it in order to make way for younger people.

In the meantime, the Minister of Industry, Trade and Commerce (Mr. Pepin) is in China or Japan purchasing textile products to enter into dishonest competition with

the Canadian industry. How can one say that this government is honest with the Canadian people?

Mr. Speaker, for other reasons, the Minister of Industry, Trade and Commerce also went to Russia. I think he went to China twice and if he goes a third time, I would not be surprised if he were mistaken for a Chinese.

A moment ago, I heard the Leader of the official opposition say that the government will run out of long and short term capital and he is wondering where it will find such capital. I would ask the Leader of the official opposition where he would find capital if he were the Prime Minister.

Whether short or long term capital is involved, it does not matter since to us capital represents the possibility of developing our industries and our natural resources. And to the extent that the Canadian people will be able to develop our natural resources, the government will have to say to the Bank of Canada: You extend credit according to the natural resources development in Canada. We would then be masters of our own economy and not the Americans' slaves.

• (1630)

Mr. Speaker, the more we advance in life the farther the emergence of this just society promised by the Liberals. The expression "just society" was on the lips of every government member; vote for us and we shall give you a just society. And the more we advance—I hear the applause of two or three colleagues—the less we hear about justice in the economic and social fields.

People are sent to hell; no matter if the people involved are the "Lapalme boys", the young or others who come to meet the Prime Minister of other government members, they are told: if you are not happy, vote against us.

Not long ago in Medicine Hat, the Minister of Agriculture (Mr. Olson), was challenged by people that were frustrated and the Prime Minister told them: if you are not satisfied, vote against him. Simple all right, but why were they not told to vote against in 1968?

Here, Mr. Speaker, is another issue on which the government has made promises: bilingualism, which we favour all across Canada. The objective is a knowledge of both official languages. However, there are various ways of going about it in order not to discriminate.

I say, Mr. Speaker, that when a 50-year old public servant is told that unless he learns a second language he will lose his job, this is discrimination, and the government does not have the right approach. There is only one way—very easy at that—to make bilingualism a reality in Canada: it is to advocate the teaching of both official languages in schools throughout the country right from the first year, in co-operation with the provinces—since education is a provincial matter—but with the financial assistance of the federal government, which has financed a commission to teach people how to speak English outside Quebec and how to speak French in Quebec.

Mr. Roy (Laval): This is exactly what is being done.

Mr. Caouette: Mr. Speaker, the hon. member says that this is exactly what is being done. It is exactly what is not being done. Name me one school in British Columbia which is subsidized by the federal government so that French may be taught there—although all parents would be in favour of it. This is what I say when I go to western Canada, and I do not hesitate to say it: everybody agrees to have both official languages taught from the first year on, not at the age of 20 or 35. Public servants in Ottawa now have to go on courses to learn French. When are they going to learn it? You do not learn a second language easily when you are 40 years old.

And here, Mr. Speaker, I would like to congratulate the leader of the official opposition (Mr. Stanfield) on his efforts to learn French—

Mr. Béchard: He was over 40 when he started!

Mr. Caouette: Yes, he was, and this is why he will never speak French fluently. However, he can express himself in French. I for one started learning English when I was 20, and I still cannot speak it properly. I know it.

Mr. Speaker, if we started teaching both languages right from the first year, in less than five years, our young people would be speaking English and French fluently across Canada.

When my two boys were respectively four and five years old, my neighbour in Rouyn was a Ukrainian who had a small boy of the same age. The three children played together. We have members of Ukrainian descent in the House and I am happy to have them; in fact, they are Canadians who speak Ukrainian. My two young sons played with their little Ukrainian neighbour and one night, at supper, the two little ones were speaking together and I could not understand a word they were saying; they were speaking Ukrainian without anyone forcing them to do so, but simply because of their contacts with the small neighbour they were playing with.

This is how we will solve our bilingualism problem in Canada. We must not force a francophone to learn English at age 40 or 50. If he wants to learn it, congratulations, but if he does not wish to do so, he should not be forced. This is a democratic attitude which would promote unity in Canada.

[*English*]

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I feel flattered at the opportunity accorded to me to follow the leaders of the three opposition parties in the debate this afternoon. Probably my contribution will be more objective than theirs because my appreciation of events is not dazzled by the elusive prospect they are nourishing, that some day they might head the government of this country. These hopefuls, about to be disappointed and probably decimated, were showing their wares this afternoon and vying with each other concerning why their party is the best. That was very interesting. Because I am not in that position I can approach the motion somewhat more objectively than they can, for the reasons stated.

The motion criticizes the government for not carrying out the program outlined in the Throne Speech. The wording suggests the opposition believes that the measures contained in the Throne Speech were adequate to

meet the needs of Canadians. On that basis the motion appears to be a motion of confidence in the government, at least in February. Secondly, the opposition has a measure of responsibility in the discharge of House business. If the opposition has not seen fit to assist the government in carrying out those measures which the opposition believes are adequate measures to meet the needs of Canadians, then the opposition has not fulfilled its duty. From this point of view the motion appears to be a motion of non-confidence in the opposition. Also, if we recall the oft repeated dictum of the right hon. member for Prince Albert (Mr. Diefenbaker), that the government proposes and the opposition disposes, the motion could be interpreted as a condemnation of the tactics the opposition has employed during the current session.

In a general way, as we know, the Throne Speech sets out the broad policy lines of the government's social and economic policies. When these were set out for this session by the government, the opposition, especially the official opposition, disparaged the policies at the time, heaped ridicule upon them and condemned them as being inadequate. Now they condemn the government for not ramming them through the House. The attitude of the opposition was negative, harsh and critical. They took refuge in a smokescreen of bilious platitudes.

The opposition has protested almost every sound piece of legislation brought forward by the government. Now they complain bitterly that some items in the program remain to be dealt with. That point was made very effectively by the leader of the Social Credit party. The official opposition especially condemns what it appears to support and supports what it appears to condemn. The opposition motion is directed to the serious question of the government's program in this Parliament and, in particular, this session.

I should like to answer the Leader of the Opposition (Mr. Stanfield) by relating some information about the legislative process and some documented facts about the tremendous amount of work this Parliament has accomplished, to show that the opposition's excessive abuse of parliamentary time in recent months has delayed the passage of some items of legislation which are part of the Throne Speech.

There is no doubt that time is a limited resource in the legislative process. From the perspective of the government House leader the legislative process is a complex process of anticipating and reconciling conflicting demands in a limited amount of time. This government will not be judged by the last three months alone; it will be judged by its program to date through four sessions of Parliament, ending possibly this session. Compared with the decade of the 1960s, the present Parliament to which we belong in its first two sessions sat longer and passed more bills of a lengthy, complex and technical nature than had been passed in the previous decade. Between the sessions of 1960 and 1968, Parliament sat an average of 142 days per session. During the first two sessions of this Parliemant we sat, on the average, 176 days.

In the previous period to which I referred, Parliament enacted, on average, 46 public bills per session. During the first two sessions of this Parliament we enacted 65 bills per session. The number of pages of enacted legislation has risen from an average of 461 in the period between 1960 and 1968 to 659 in the first two sessions of this Parliament. In other words, this Parliament had to deal with approximately 1½ times as many pages of enacted legislation per sitting day as it did on an average during the sessions from 1960 to 1968.

• (1640)

When we turn to the legislative performance of the third session of this Parliament, last session, it is possible to see an even greater acceleration in business. If we include all the sessions between 1960 and 1970, we get an average of 148 days; but in the third session we sat 243 days. In that session Parliament enacted 65 public bills, whereas the average number of public bills in the last decade was 49. Indicative of the technical and more complex nature of modern legislation, the third session passed, on the average, 1,037 pages of legislation compared with an average of 497 in the sessions between 1960 and 1970.

Mr. Lewis: Am I wrong, or were you minister from 1963 onward?

Mr. MacEachen: The hon. member is quite right. I am talking about the productivity of the current Parliament, to which this motion directs itself, in comparison with previous Parliaments. In terms of all the tests that we can apply, in terms of the pages of enacted legislation, of the labour of members sitting in the House and the output of bills, the record of this Parliament has been a good one.

Up to the present session the government has, therefore, been able to complete one of the most comprehensive programs ever put before Parliament. The government has proposed and has completed legislation in every conceivable area—economic growth, social justice and the quality of life. It has acted in the field of social justice by revising and raising old age security pensions and veterans pensions. It has reformed the Canada Labour (Standards) Code to raise the federal minimum wage. It has revised the Unemployment Insurance Act and it has brought before Parliament substantial revisions to the criminal law and generally to the legal system.

The government has responded to new demands, such as the increased concern with environmental matters, in several legislative steps including the creation of the Department of the Environment itself, the Arctic Waters Pollution Prevention Act, the Canada Water Act, and so on.

In addition, during this Parliament the government has been much concerned with the maintenance and strengthening of an effective democratic process. It has put forward revisions to the Canada Elections Act. It put forward the Statutory Instruments Act, and on two occasions it undertook the comprehensive reorganization of government structure. In order to strengthen national unity—the leader of the Social Credit party referred to this matter—it put forward and brought into effect the Official Languages Act. In matters of economic growth the government has produced much important legislation, almost too numerous to outline at the moment, including the Canada Corporations Act revision, the investment companies act, the employment support act, the Regional Devel-

opment Incentives Act and many other important pieces of legislation.

Despite the words of the Leader of the Opposition about a left-over bill, which I hope will be facing him shortly, this Parliament has undertaken the most extensive reform of the Canadian taxation system in our history. I am not complaining about this. I have noticed, however, that in this session the opposition has spent at least part of its time on political campaigning. In fact, I am told that some of the Leader of the Opposition's colleagues are concerned about how badly he has misjudged the date of the election. Instead of spending his time boning up on the legislative program, he has spent a good deal of time campaigning around the country.

I am not scandalized at the fact that parties should get immersed in politics, but I do not think we should blind ourselves to the effect that that preoccupation has on the legislative program of the House of Commons. I have not complained about it, but I find it a bit galling to have the Leader of the Opposition and his House leader complain about the appalling record of legislative progress, a record which they have extensively participated in creating.

Today is the seventy-eighth sitting day of this session. Let me say first of all that more than 40 per cent of that time has been spent on business other than government legislation. I have personally regretted every single day that was lost to the legislative process, but we did have to meet our parliamentary commitments by spending a day on the Speech from the Throne, which was so popular in February and so unpopular in June—or is it the other way round—eight more days for the address debate, an important debate, and six days on the budget. The hon. member for Edmonton West (Mr. Lambert) was demanding that we complete that debate. Today is the eighteenth day spent on the business of supply, opposition days, and two days—or was it one—were spent on the motion of the hon. member for Fraser Valley East (Mr. Pringle) on that memorable occasion when we accepted his motion in the House of Commons.

All I am saying is that in this session we have had 43 days available for government legislation. And what has happened to these 43 days? On February 17, the Prime Minister tabled a list of proposed legislation for this session. It consisted of 29 items. We have added some since, all items that were popularly received, such as the old age pension increase, the veterans pension increase, the new pension bill that was given first reading yesterday, and one or two others. But of the original 29, the government has made a deliberate attempt to get as many through Parliament as possible. Of those 29 bills only six remain to be brought forward and three of them require the completion of consultation with the provinces or with the private sector as promised in the Speech from the Throne.

I believe that is a pretty good record. It is nothing to be ashamed of, considering the dynamic world in which we are living. We know perfectly well that items of legislation are dying in the House because members find them not very important or refuse to pass them. Since February we have brought forward 23 of these items; they are all on the order paper and available for discussion. What has happened to these bills? Without casting any reflection, I must say that the House has not shown any real readiness to deal with these bills reasonably rapidly. As I have said so often, in the British House they spent a maximum of two days on second reading. Probably they give most bills second reading in a day or less. Of course, if we had done that in this House there would be no need to complain about the legislative pace.

• (1650)

Let us go back to the 43 days. On five of the 43 days we debated second reading of Bill C-4, the CNR financing and guarantee bill. It has not received second reading yet.

Mr. Benjamin: And you know why.

Mr. MacEachen: Of course I know why—because there is a price tag attached to the passage of the bill. I understand that and I accept it. I accept the capability of any person in this House to refuse passage of a bill. I am just pointing out that we have had five days on second reading and the bill is still where it started. We spent at least nine of the 43 days, and probably all of them, on second reading of the Family Income Security Plan bill. That bill is out of committee, at report stage. The federal-provincial fiscal relations bill took four days on second reading and two days at report stage, for a total of six days. Those four bills, Mr. Speaker, only one of which is passed and is now the law of Canada, took 24 of the 43 days that were available for government legislation in this session.

I say this to you, Mr. Speaker, and to all hon. members, harping back to the debate that we had on time allocation, that if the House of Commons takes 24 days to complete one bill and partially complete three others, we are not measuring up to the requirements of modern life and the requirements of a modern legislature.

Some hon. Members: Hear, hear!

Mr. MacEachen: I leave it at that. I make no complaints; I merely state the facts. As the right hon. gentleman from Prince Albert said, this side proposes and that side disposes. That is how that side disposed of these items of government legislation.

Some hon. Members: Shame.

Mr. MacEachen: I now want to refer to the days that are set aside so that the opposition may tell Parliament what policies it would like to bring forward. I realize that the opposition must criticize; it must bring the government to task. But surely in our system of government, with an official opposition having had 50 days in this Parliament all to itself to bring forward alternative policies, with that kind of opportunity this House and the country should know where the official opposition in particular stands on all questions of public policy. But we do not. And they do not, which is worse.

Some hon. Members: Oh, oh!

Mr. MacEachen: We have had carping criticism. We have had one motion after another repeating the same tired, bilious platitudes. To date we have had fourteen motions on unemployment from the Leader of the Opposition and his party. The same wine has been put in differ-

ent bottles but we still do not know what kind of draft the Leader of the Opposition is preparing for the people of Canada. We ask, what is their position on economic policy? What is their position on industrial strategy? What is their position on constitutional reform? What is their position on the role of Quebec in Canada? What is the official opposition's position on the guaranteed income, which has been endorsed and disowned so often that it is difficult to know how that party could guarantee anything?

What is the official opposition's position on foreign involvement in the economy? Today the Leader of the Opposition gave the foreign takeover bill hell in the House. A few days ago he said he would vote for that bill, but today it was worthless, insignificant and a charade. Where do they stand on social justice? Where do they stand on questions of social life, the qualify of life in Canada?

There is hardly an aspect of public interest and public policy that this government in the past four years has not legislated upon or on which it has not declared to the public where it stands. There are undoubtedly some remaining issues but no government in the history of this country has done a better job, perhaps too good a job, of telling the people of Canada where it stands on controversial matters.

Some hon. Members: Hear, hear!

Mr. MacEachen: The Leader of the Opposition—I must give him credit—did bring in a new tax proposal.

Some hon. Members: Oh, oh!

Mr. MacEachen: He came up with a new policy in the budget debate when he brought forward his constant dollar income tax proposal. Probably it was the only time in this House that confusion was put forward as a major national policy.

Some hon. Members: Oh, oh!

Mr. MacEachen: Since then the Leader of the Opposition has dropped that proposal; at least he has not talked about it recently, or today in the House of Commons, because the careless rapture felt by the disclosure of that proposal has now dissipated in the subsequent bleak dawn of practical enlightenment.

Some hon. Members: Hear, hear!

Mr. MacEachen: It was a rosy scheme in which the taxpayer would pay his taxes in constant 1971 dollars. If it is a good scheme, why restrict it to tax payments? It should work right across the board. Maybe we could give back tax overpayments in constant dollars, or maybe we could pay the members of this House in constant 1971 dollars. But probably we ought to leave aside that question of the Leader of the Opposition for a moment; we do not know what he stands for.

Members of the official opposition have very little to offer, so far as I can make out, except their working over bones of policies and old programs that come back again and come forward again, that are withdrawn only to be put forward once more. One almost expects them to come up with the slogan of Sir John A. Macdonald in his last election campaign: The old flag, the old party, the old leader. But they cannot very well do that either; they are somewhat constrained in that particular situation.

I have listened so often to these speeches on supply days that all I can say is that the performance of that party—here I agree with the leader of the NDP—has been bereft of inspiration. It does not inspire anybody, certainly not in this House. It is devoid of constructive thought. It is really bankrupt of any worth while solution to the problems of Canada. All we get from that party is a long, interminable keening over the state of the nation. I assure you, Mr. Speaker, one can search through the speeches of the Leader of the Opposition, his statements, his pronouncements, his television interviews, his radio interviews for some smidgen of an alternative policy. What would he do, in contrast to this dreadful government? We never hear anything about that. There is no alternative, no proposal. He is like a mourner at the funeral of his own party.

Some hon. Members: Hear, hear!

• (1700)

Mr. MacEachen: When I listened to the leader of the New Democratic Party I took exception to some of the things he said. I thought he was a modern man; I thought he lived in the 1970s. I did not believe that his attitudes, his policies and prejudices were still firmly anchored in the 1930s. We have, in the unrehearsed and obviously unprepared address of the leader of the New Democratic Party, a real demonstration from the heart of what he felt. In my view the *New Statesman* would not even publish it. It was the old hat of the thirties. He tried to tell us that conditions in the area I come from are worse today than they were in 1938. Nobody who lives there and nobody who knows that part of the world would agree with him.

I thought it was rather typical that he should anchor his position so solidly to the thirties and drag out that old stuff about corporations pouring money into the coffers of the Tory party and the Liberal party, and that therefore we are all supine servants of the corporations. Mr. Speaker, there is no more careful defender of the corporations in his constituency than the hon. member for Oshawa-Whitby (Mr. Broadbent). He is very upset if there is any indication that a corporation in the Maritimes is to be helped by this government, because he recognizes as well as I do that corporations provide jobs and if they close their doors in his riding or in Cape Breton it is a serious matter for a Member of Parliament.

We are not corporation oriented; we are not servants of any corporation in this country. Any party that in one session has been able to put on the legislative program the family income security plan, the guaranteed income supplement program, increases for the veterans, the Local Initiatives Program and the Opportunities for Youth program—programs for which such bodies are hardly enthusiastic—is hardly frail or supine.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, it must have given the President of the Privy Council (Mr. MacEachen) a good deal of satisfaction to get a lot of his frustrations off his chest in one fell swoop. He has had to present some of the bad, poorly drafted legislation that we

have had in the last couple of sessions and it must have been difficult for him to persuade so many people to vote for it. In his remarks he neglected to mention that some of the delay has been caused by members supporting the government who were not satisfied with the legislation either. I think we should bear that in mind.

Nevertheless, I enjoyed the remarks of the government House leader. His presentation was very humorous and he managed to conceal the main thrust of the opposition motion, which is that the government has not presented a good deal of the legislation that was promised in the Speech from the Throne. I do not want to carp on this, but in fact our motion refers only to this session and in order to find something positive and productive the minister had to go back through the whole of this Parliament. Only at the end did he come around to this session and give us the reason why there was very little positive legislation. If we have had such an amount of good legislation during this Parliament, Mr. Speaker, I would like to ask why the country is in the mess it is today. I think that question is raised by the presentation of the President of the Privy Council.

In the Speech from the Throne on February 17 I was very happy to hear the following words:

—policies designed to promote a related yet distinct sector of the economy, tourism, will be revealed in coming weeks.

That was a simple, straightforward declaration of intention by the government, but unfortunately with the session and undoubtedly this Parliament coming very close to an end we have not yet seen any proposal nor any legislation. This is one item I have picked from the many contained in the Speech from the Throne on which legislation was not even drafted or presented to the House. Certainly the President of the Privy Council cannot complain that we held up legislation which has not been put forward.

This may be one of my last speeches in this House, Mr. Speaker, and it is suitable that I should address myself to the failure of this government to bring out legislation to help the tourist industry. That was the situation I found when I arrived here 15 years ago: tourist business had hardly been discussed in Parliament. For many years this industry had struggled along with very little support or interest from the government. Representing a district in which tourism was of vital importance, I began a campaign, which I think was reasonably successful, for recognition of the tourist industry as valuable to Canada both as a means of revenue and a means of earning foreign dollars.

At the time tourist facilities were outmoded, unattractive and neglected. The operators could get no financial support from the private or the public sector to update their premises and were beginning to lose business to the northern United States where the industry was recognized and supported. In the years 1958 to 1961 the government introduced a series of measures to improve the industry and provide better facilities and more income for Canadians. At that time there were many roadside cabins which had been left over from the war and were outdated. In the early 1960s some of these began to be replaced by motels, lodges and resorts and others were renovated and made more attractive.

[Mr. Aiken.]

The government at that time required the Industrial Development Bank to classify tourism as an industry, which had not been the case previously. The situation has not changed at all, Mr. Speaker. The Industrial Development Bank clings to the old idea that they must get their money back; a borrower has to prove that he can repay a loan or the bank is not interested. This is not why the Industrial Development Bank was established. It was set up to provide capital in places where the private sector would not.

• (1710)

The government of that day said to the Industrial Development Bank, "We must reclassify the tourist industry as an industry coming under your responsibilities." We did that by legislation and then money began to flow to the tourist industry. The Small Businesses Loans Act, passed in 1961, covered in its provisions tourist operations. Here, again, the present government has carried on the policy which was begun then. It has done this successfully. Tourist operators have obtained large sums from the Industrial Development Bank and under the Small Businesses Loans Act for carrying on a reasonably competitive type of business in this country. I give credit to this government for carrying on policies begun under those two pieces of legislation which are now ten years old but are still extremely effective.

Also, the government of that day stepped up its advertising and representation abroad, increased the number of travel bureau offices and showed a real desire to promote new techniques. The present government has carried on those innovations but has not done anything to improve, update or assist the tourist business. For the last nine years we have not seen any new approach or recognition of the needs of the tourist industry on a national scale. Centennial year, 1967, generated a tremendous response from beyond our borders and encouraged travel within Canada. We have been coasting on this wave for the past four years and no effort has been made to maintain momentum.

We have not been given any indication of what the government had in mind when it made the important statement referred to in the Speech from the Throne. It might have had in mind financial support. The industry certainly could use it. Or it might have been thinking of better promotion of Canada abroad, and that certainly would be helpful. It might have been considering package tours from abroad supported by federal efforts. This idea has been talked about over the years. Some agents have inaugurated limited private travel plans.

Mr. Speaker, we want something more, something greater than is represented by a few rich Americans hunting polar bears in the arctic. In large part that has been the type of business which has been generated, and it is not enough for this country. We have not been told what the government had in mind. Perhaps somebody just threw that statement in for effect, so to speak. I hope not. But since no bill has come forward, that is how it looks now, four months later.

My time, unfortunately, is limited. May I read into the record figures relating to our balance of payments. Except for centennial year, 1967, Canada since 1963 has

experienced an increasingly worsening balance of payments position relating to travel. In 1964 our balance on travel was in deficit to the extent of $50 million; more went out than came in. In 1966 the deficit was $60 million. In 1968 the deficit decreased to $30 million largely because the previous year, centennial year, had generated a positive inflow of $423 million. In 1970 our deficit with respect to the balance of travel payments was $226 million. In 1971 it was $201 million, slightly less than in 1970 but showing the same general trend. So we have gone downhill very badly in our balance of payments in travel.

Quite a bit of money is involved. After all, we are dealing with foreign funds here. Our travel balance in the first and fourth quarters of the year has been increasingly adverse. There has been a combination of failures. We have failed to promote our greatest asset, winter sports, and more Canadians have travelled abroad. The figures show that we are moving backward with respect to travel. It is obvious that we need policies which are designed to promote tourism, as proposed in the Speech from the Throne. It is equally obvious, Mr. Speaker, that those policies have not been forthcoming.

The government, in the present session or indeed in any further session of this Parliament if there should be one, will hardly find it possible to support and improve one of our best producers of foreign currency. I think it is tragic that this area has been so completely neglected. I have picked one of many. It is unfortunate that no bill in this area has come forward since this session began.

[*Translation*]

Mr. André Ouellet (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the motion of the Leader of the Opposition (Mr. Stanfield) is worded as follows:

> This House regrets the failure of the government to proceed during the current session of Parliament with a positive legislative program;—

There is a charge which is not truly founded and if the Leader of the Opposition were a lawyer and if the plea which he made this afternoon were made in court, the judge would not hesitate to dismiss the case.

The remarks made previously by the President of the Privy Council (Mr. MacEachen) demonstrate how groundless the motion of the Leader of the Opposition is.

I have listened, carefully of course, to the remarks of the Leader of the Opposition. I am not at all surprised that he should try to minimize the extremely important effects of the government's legislation. But what makes me particularly sad and disappointed is that in the course of his speech he failed to suggest any new solution to the current problems in Canada.

Mr. Béchard: He has none.

Mr. Ouellet: All he can do is repeat and I would say that his words are a true reflection of his party. It is a real indication of the weaknesses of the Progressive Conservative Party which is old-fashioned, worn and exhausted. I think that the best parts of his speech were those where he repeated the comments of the hon. member for Duvernay (Mr. Kierans). I find it quite sad to see that the Leader of the Opposition has to take his views from government members when he wants to be interesting.

• (1720)

I would also like to point out some comments previously made by the Leader of the Social Credit party of Canada, the member for Témiscamingue (Mr. Caouette). When he begins to speak, everything is fine, but it always turns for the worse. Indeed, he can never refrain from exaggerating, railing against the government and saying half truths.

The leader of the Social Credit was talking through his hat today when he blamed the Minister of Industry, Trade and Commerce (Mr. Pepin) for going to China. It is true that the minister did so and he may even go back. However, it is wrong to suggest, as the leader of Social Credit did, that the minister is going to China to promote imports of Chinese textile products in Canada. He should have wanted to say—and this is what he should have said—that he goes over there to sell our products to the Chinese.

Mr. Speaker, we know the importance of a dynamic foreign trade for our country. The population of Canada being small, we must export large quantities of goods to maintain our standard of living. This government went to great efforts in order to increase our exports, and they increased, during the last six years, from $8 billion to $18 billion. This is what the government is doing, and what the Minister of Industry, Trade and Commerce is also doing when he goes to China; he tries to sell our products. And this is not at all the same thing as what the hon. member for Témiscamingue claims.

To return to the motion before us today, I will remind you that Speech from the Throne of February 17, 1972, was excellent. Its purposes were the following: the government will introduce bills concerning the continuing development of our natural resources, the means of giving more generous help to those among us who are in need, the involvement of a great number of Canadians into community activities which are rewarding, the preservation of our natural heritage, the strengthening of our national identity and of our own image.

In my opinion, Mr. Speaker, we cannot agree with the second part of the motion of the Leader of the Opposition where he bewails the government's inability to carry out the program outlined in the Speech from the Throne of February 17, 1972. Let us examine together the motions and bills studied and passed by Parliament. Due to the time limit, I will only mention a few.

Since the Minister of Indian Affairs and Northern Development (Mr. Chrétien) is present, I would like to say a few words on the bill concerning national parks. Thanks to the leadership of this minister, there are now national parks in all ten provinces of Canada. I take this opportunity to congratulate him on the establishment of national parks in the province of Quebec. This has been awaited for a long time, and we should be delighted with the new legislation opening the gates.

I want to say a few words about the bills covering amendments to the Canadian Labour code, to the National Housing Act, to family income security and finally to foreign ownership control.

We now live in a time when strikes are a daily occurrence, when people find it hard to remain composed in the face of such a rising tide of work stoppages occurring every day and the government introduced a bill to revamp the labour legislation, especially in the industrial relations sector. The government wanted to establish legislative measures and mechanisms to help employers and unions better settle their disputes. They tried to adapt their legislative measures to the needs of the 70's.

I believe we can say that people would like the relations between employers and employees to be stable. That is the aim of the bill and that is why we can say that that measure is part of the continuous efforts of the government to promote free collective bargaining and constructive settlements of disputes.

I should like also to point out all the government's efforts to improve housing in Canada. I believe it can be said that most Canadians are now enjoying decent housing. Unfortunately, a few Canadians do live under unacceptable conditions. That is why the government introduced during this session new programs to supplement the ones already inforce, to meet in a better way the housing needs in the various population areas, and also to establish new research mechanisms in the planning and housing fields.

Therefore, housing has priority with the government. They intend to meet the needs not only of young people who wish to have a house of their own at the beginning of their married life but also of retired older people, so that they may have appropriate housing at a moderate cost. The government also intend to meet the needs of middle-income Canadians who work hard in order to provide their family with a small house within their means. It seeks also to satisfy the low income citizens who want something else than public subsidized accommodation where only disadvantaged people live.

In the field of social security, I believe that the government has made extraordinary efforts to fight poverty. Through its proposed bill on family allowances, it wants to implement the principle of selectivity, according to which a fairer redistribution of resources will allow some 2 million low or middle income families to improve substantially their economic situation.

We know that about 75 per cent of Canadian taxpayers earn $7,500 or less a year. It is those people that the government had in mind when it decided to double—or in some cases to almost treble—family allowances. In order to implement that project without increasing taxes, the government suggests a new vertical attribution of the $820 millions earmarked for family allowances. This is surely an extremely improved piece of legislation which will enable about 35 per cent of Canadian families to receive $15 a month per child under 12 and $20 a month per child between the ages of 12 and 17.

Such legislation, Mr. Speaker, is the basis of a guaranteed income plan in Canada. It is the corner stone of the required policy and, I think, the best legislation of the whole administration of the present government for achieving a just society in Canada.

[Mr. Ouellet.]

Finally I would like to say a few words about the very wise policy of the Canadian government regarding foreign investments.

Such investments have been most important in the development of Canada and no doubt they can remain so. It does not mean that we should turn it down, but we should make sure that, in the long run, foreign investment will be beneficial to our country, and that all these take-overs by foreign companies will help Canada.

I think that the policies introduced in the House during this session are meant to help our country develop as fast as possible, taking into account the needs and aspirations of our people, in order that their vital interests are protected.

Mr. Speaker, it is important to mention again, in closing, that the motion before us today, which states that the government failed to do what it should, is unfounded.

The world we live in is troubled, agitated and in full swing. Problems are plentiful.

It is in the light of that complex and challenging reality that we should consider and appreciate the leadership of this government. It can be said that, in these particularly troubled times, the government of Canada remains alert and active. It has succeeded in dealing with problems, with crises, and is more than ever trying to improve the living conditions of every Canadian.

[*English*]

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I am excited and happy to be able to say a few words to you and to this hushed, crowded and expectant audience as we finish the discussion on this very important motion. I would not for the world have missed the performance of the President of the Privy Council (Mr. MacEachen). I enjoyed it immensely. It was one of the finest performances he has put forward in all the years that I have known him.

Some hon. Members: Hear, hear!

Mr. Macquarrie: I am reminded, though, of what a French marshal said of the charge of the Light Brigade: It was magnificent, but of course it was not war. It was a fine performance, but it was not exactly what I would call a reasoned argument in defence of that which is indefensible. I was impressed that he found it necessary to level so much attack on the Leader of the Opposition (Mr. Stanfield). I was impressed by it, but not at all offended, hurt or worried; because, as Sir John A. Macdonald once said, when you look in the orchard and see sticks and stones under a tree, that is the tree that bears the good fruit. As Sir John A. Macdonald also said, strong winds blow against high hills. It strikes me that the minister, who is a Nova Scotian, has just come to realize that there is an immense threat posed to the Liberal party by the Leader of the Opposition.

• (1730)

It is very fitting that one of the debates zeroing in on the conduct of this House and the country should be moved by the Leader of the Opposition who, in the discharge of his duties, has proven time after time that he, and not the minister of finance—no matter who he may be—has an

understanding of the problems facing this country. If the minister does not believe me, then all he has to do is pick up a document that emerged yesterday, the report of the Prices and Incomes Commission. They have sustained the view that the Leader of the Opposition advanced long ago.

If he does not believe me, he can consult the former minister of finance, who in his great conversion a few months ago has moved to the very points of view that the Leader of the Opposition had been proclaiming across this country month upon month. If he does not find conviction there, he can look at what the Leader of the Opposition said many months ago about the fate of the Canadian dollar. On that matter, too, his views have been verified, underscored, underwritten and sustained.

I have the greatest regard for the President of the Privy Council. He is a fine scholar and a great exponent of the Gaelic people. But I thought that today he might have been following the advice that I am told an old Speaker gave to an incipient orator, that when the going gets tough you should yell like hell. Perhaps that was the advice he was following.

I was also impressed by the hon. member who preceded me. He was obviously a man of immense courage, because in his 15 minutes he actually took time out to say what a wonderful job the present government had done with respect to poverty. Of all things to bring out in the performance of the government! I am inclined to look at the document that the Senate committee produced after careful study, certainly much more time than 15 minutes. They opened their report "Poverty in Canada" with this, alas, much more serious statement:

> Poverty is the great social issue of our time. Unless we act now, nationally, in a new and purposeful way, five million Canadians will continue to find life a bleak, bitter, and never-ending struggle for survival.

In the face of documentation of this kind how can anyone believe that they are credible when they stand up and tell this House and the people of Canada that this country has never had it so good? I notice that the minister complained that on 14 occasions there have been motions on unemployment. Why 14? Because the problem is there. Unemployment stalks this land yet, and the efforts of the government with reference thereto have usually been such as to increase the burden and exacerbate the problem. As they have backed away from one economic policy after another they have finally realized the outrageous situation that they have allowed to develop. For a modern, wealthy, great country to be burdened with the rate of unemployment that Canada has is simply outrageous, intolerable and absolutely unnecessary.

To stand up and proclaim that things are going well would not go very far with the young people of Canada today. Never have more of our young people been so anxious and frustrated about the future. There is not a member of the House who does not hear day after day from the fine young people of Canada-university graduates, high school graduates and graduates from technical institutes. What is their problem? It is that they cannot find word and that they want work.

I am not one who believes that our young people are a mass of lazy louts who want handouts. They want jobs but they cannot get them. Year after years this government has proven its incapacity and inability to provide meaningful employment. As one of my eloquent colleagues says, the government have also revealed their insensitivity to the problem. In their great desire to push inflation around the corner—obviously it has not even been pushed around the corner—they said they would stand all sorts of unemployment and let the people like it. Tell the youth of the day that the country was never better governed! Tell the youth of today that they never had it so good!

Mention has been made of various programs—ad hoc programs, Opportunities for Youth, LIP, and so on. Of course, they do help; with such a terrible burden of unemployment we welcome anything that is an improvement. But what happens when these programs end? What is the situation when the young people are laid off as each little project is completed? The blight on our economy remains. The figures continue to be appalling.

From the very beginning of his career as Leader of the Opposition—and he will not be there very long; he will be going across the floor soon—the Leader of the Opposition has singled out unemployment as the economic crime that must be fought, and he has fought it vigorously, wisely and well. The hon. member who preceded me complimented the Minister of Indian Affairs and Northern Development (Mr. Chrétien). I love to hear ministers being complimented. He has taken a heck of a long time in getting a second park for Prince Edward Island. This matter has been discussed for five years, so the minister is not responsible for all of the delay.

However, are our native Indian people happy with this government? I have been watching the scene for some years now—I am not as old as I look—and I have never seen greater unrest or more anxiety than I see today among the native people of this country. They are frustrated and uncertain. They are organizing their beefs and their discontent as never before in the land. I am not surprised, because there is far too much cold, callous reaction toward the great needs of these people. I note with satisfaction that they themselves are articulating their problems and pressing their complaints. But much more must be done.

Mr. Chrétien: Never was so much money given them.

Mr. Macquarrie: If the minister is satisfied that they are properly looked after and that there is no problem, then he may live in that dream world. But I do not, and I think the Indian people will agree not with him but with me. The minister from Nova Scotia suggested that the Leader of the Opposition was not sufficiently decisive. Such an allegation from a member of such a government! He is a literal and lineal descendant of Mackenzie King: "conscription if necessary, but not necessarily conscription." "Foreign ownership yes, but foreign ownership no". "Election expenses yes, but election expenses no."

We have had a grand grab-bag of pusillanimous, self-contradictory, internally distorted legislation presented by this government. Would we say that the foreign take-over bill is decisive? It had a delayed pregnancy, perhaps that was the problem, but I would never produce it if I wanted to look at something that was the epitome of decision.

What about the handling of the Mackenzie Valley pipeline? This is a beautiful and magnificent example of a unified, decisive, dynamically united government! Not only do you have to find out which minister is speaking to know what the policy is; you have to check all the speeches of one minister because they are internally contradictory.

• (1740)

I have done quite an exercise in this regard and I hope some student will produce an MA thesis on the lack of government solidarity. This is about the right period if he wants to make first-hand observations. Another issue which is interesting, if you want to talk about being decisive, is that concerning fisheries. Will we tell the fishermen of Canada that this government gives them strong, decisive leadership? Just try telling that to the fishermen on the east coast and the west coast. With all due apologies to the party to the left, the government is waffling, weaselling and pusillanimous. It cannot stand up for our fishermen even against the smallest countries of the world, yet it has the nerve to talk about being decisive.

Another area that might be in someone's mind when we talk about decisions is that of constitutional reform. The minister went back over the whole four years. I will have to cover the same terrain to be consistent with him. What about constitutional amendments and those glorious days when we were going to settle this problem? The four years of the present government have been marked with frustration and non-accomplishment in the constitutional field. This country is no more united than it was in 1968. We have had dominion-provincial conferences one after the other, which have amounted to nothing more than polite failures. We are not even up to the Fulton-Favreau stage on constitutional amendment; in fact, we have gone back.

There were some Canadians in 1968 who thought they mjght be choosing a government which would put some solutions forward to our vexing constitutional problems. The minister spoke about the bleak dawn that was following a rosy period. I say to him that for this government the moonlight reveries of 1968 are long since passed. It is not dawn we are at now, it is high noon, and you know what happens at high noon. He quoted the right hon. member for Prince Albert (Mr. Diefenbaker) and said, "We propose and they dispose". I suggest it will not be us, but the people of Canada who will dispose: they will dispose of the government.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, in his hard hitting, well documented speech this afternoon the leader of our party put forth a bill of indictment against this government for its record of legislation which has favoured the wealthy and corporate segments of Canada and shamefully neglected and undermined the well-being of the people in the low and middle income groups. He is not the only one in this country to bring this type of indictment against the government.

At a meeting this week in Quebec City of delegates to the Canadian Council on Social Development, a report was discussed. It was prepared by top civil servants in the federal government and by social workers from across the country. Let me quote some of the things said in this report:

> The federal government through its anti-inflationary policies is seen to be increasing the number of Canadian families in need of public financial assistance—a decision in which the provincial and municipal governments are not included.
>
> But the federal government contributes only 50 per cent of the increased welfare funds needed by the provinces and the municipalities.

This underlines what the previous speaker pointed out, the hon. member for Hillsborough (Mr. Macquarrie). This government, in spite of the boasts and claims that it was going to clear up the constitutional muddle, has done nothing whatsoever of a tangible nature to get rid of these very severe dislocations which affect people's lives. Let me quote again from this report:

> What has resulted, in Canada, is a fragmented approach to a wide range of possible objectives, accompanied by ad hoc policies involving duplication and conflict—conflict among programs, among government agencies and different levels of government or between private and public interests.
>
> What is required is a new and comprehensive framework of goals and objectives to serve as a basis for policy planning.

One thing this government will not do is plan a comprehensive framework within which to work. It will not do so because it will not take the only objective which is workable, and that is to orient its policies toward the well-being of people and the environment in which they live, instead of orienting them to suit the large corporations and their profit-making ventures. Consequently, the government does nothing or worse than nothing.

The report goes on to say that in the past 20 years the spread between the richest and the poorest income categories in Canada may have widened by at least 30 per cent. It says there has been no change in the distribution of income during this time. It warns that low income people have lost faith in the government because they feel they cannot exercise influence over the policy decisions of government.

Let me give one example of why I think there has been this loss of faith on a large scale. We have in this country what is known as the National Anti-Poverty Organization. It is an organization of people who have had a rough time in life, people on social assistance in every field you can name, low rents, housing tenants, people concerned with family day-care centres because they must go out to work, single family heads who have to work, young people and a whole range of low income people.

The National Anti-Poverty Organization was formed under great difficulty. However, it has held conferences in British Columbia, Nova Scotia and Manitoba. The organization was fortunate enough to obtain a grant under LIP which was used up at the end of May. These people did not realize that there was a regulation to the effect that any program or project requesting an extension at the end of May could only be funded to June 16. Being anxious for funding, as they were very close to their margin, they put in an application for an extension, only to learn that under the regulations there is no possibility of being funded to September.

What will happen to all the attempts of these poor people who have been trying hard to gain a little confidence in themselves within the framework of law and

order in their country and its institutions? Every single thing they have done to date will fall by the wayside. Their attempts to establish day-care centres, information centres and neighbourhood self-help groups will have been to no avail.

I suggest this is symptomatic of the way this government is attempting to handle the matter of unemployment. Instead of coming to terms with the fact that unemployment on a large scale is a feature of our technological society today, and planning accordingly, the government has set up a straw man. It says that young people are unemployed for only two months between college courses or high school years, women are in the labour force to get a bit of pin money and are there for a short time, and there are a lot of part-time people involved.

With this attitude the government is approaching the problem in a very spasmodic way. This is apparent in the Local Initiatives Program as well as in the Opportunities for Youth program. This is one of the great flaws in these two programs. They are fine on a temporary basis for those who are able to get under the wire, but of the 250,000 young people who will be unemployed this summer only 30,000 will be able to obtain benefits under the Opportunities for Youth program. This is a drop in the bucket compared to what is needed.

• (1750)

Far too many young people today are unemployed all year around. They are unemployed not just for one year but for many years. The sooner the government recognizes this fact, the better opportunity these people will have of being able to enjoy a decent life. I believe the government has made a mess of these programs. They could have been good programs. Some of them have helped to a certain extent, but because they are short-range and are hit-and-miss affairs they do not contain any planning. Projects which are put forward by well established people of influence and ability are accepted and funded, while projects from poorer areas which do not have university graduates to help them are not funded although the need may be much greater. I think the Opportunities for Youth program and the Local Initiative Program are far too shortsighted at present. The government has done nothing to save the precious human material to which it referred in the Speech from the Throne.

I wish to move to another matter. Reference was made by an earlier speaker to the needs of the Indian people in this country. In the city of Vancouver there is an Indian friendship centre. The people who operate that centre are native Indians. They are trying to overcome the terrible feeling of prejudice and mistrust which has existed between them and the rest of society. They have gone ahead and have operated this Indian friendship centre. They have applied for grants but have been unable to obtain any help or any funding. Is it any wonder that the Indian people lose faith in the government's ability to respond to their needs? Poverty and unemployment will not go away. If the government knew anything about either poverty or unemployment it would know this because it would be in contact with the people who are chronically in a state of poverty, unemployment or both.

I want to say a word about the legislation which had been promised for women. The Speech from the Throne said:

> Another step, and long overdue, consists of policies to ensure the equality of women in Canadian society. These will be announced this session.

All we have seen in this respect is machinery in the form of white papers and task forces which have considered the problem of women all over again. I know a lot of hard and conscientious work has been done by these various committees. I am not decrying or denigrating it. I want to say, however, that in spite of the promises in the Speech from the Throne there clearly has not been brought forward a single piece of major legislation affecting women during this session.

There are some useful pieces of legislation in the works, but they are not yet complete. I refer to the adult occupational training act amendments, jury duty for women, repeal of the vagrancy section of the Criminal Code, and so on. These are not yet completed and I think it is doubtful whether some of them will get through before this session ends. But what about the main recommendations of the Royal Commission on the Status of Women? What about the national day-care act that was called for, which would have provided not only 50 per cent funding for the operation of day-care centres under the Canada Assistance Plan but also 70 per cent of their capital cost for the first seven years?

We cannot get away from the fact that most provinces are unable at the present time to afford day-care centres with their present resources. What has Ottawa done about giving the lead in respect of this matter to ensure the construction of day-care centres? Under the Local Initiatives Program, 90 day-care centres were set up for a short term of a few months. This has been extended for another few months. But these little day-care centres will die like flies unless the government in Ottawa is prepared to fund them on a permanent basis.

Women are becoming sceptical. They are waiting for enactment of the major recommendations of the Royal Commission on the Status of Women. Not one mention is made in the report brought down the other day by the minister of one of the most important recommendations of the Royal Commission on the Status of Women, that concerning the repeal of the abortion section of the Criminal Code. The hon. member for Hamilton West (Mr. Alexander) who spoke the other day pointed this out very clearly.

In respect of family allowances, the Royal Commission on the Status of Women did not recommend the monstrosity we have before us called FISP. It recommended that family allowances be increased. It did not mention this jargon about selectivity, which means a needs test, a means test or whatever form it might take. The things I have mentioned have not been accomplished. These are the things about which people are concerned.

Some mention was made by the parliamentary secretary about housing. I have only a moment or two and will make my comments brief. The best I can do is quote a couple of paragraphs from an editorial in the Ottawa *Journal* of Friday, June 16:

If the government's commitment to do something about Canada's housing needs was as deep as the one to its own re-election, the new program would have been presented to Parliament much earlier, not in the tag-end days of a session.

Further, the article states:

Until workers start repairs on the first older home in the first city to receive a grant in some distant day, or home ownership becomes possible for more families, the whole program, admirable in theory though it may be, cannot be taken much more seriously than pre-election window-dressing.

My main quarrel with this government is that it has relied on style and window-dressing. The people who have crowded up to the window with their noses pressed against the pane in order to see the goodies inside see that there are goodies in there all right, but not for them. They know there is sufficient money for such things as roads to the north but that there is no money for the needs of the people. The moment of truth for this government is at hand. The people of this country did not elect it to help big business become bigger and more successful. It was elected to help our people in their day-to-day problems, and it has failed lamentably in that task.

The Acting Speaker (Mr. Laniel): It being six o'clock it is my duty to inform the House that pursuant to section 11 of Standing Order 58, the proceedings on the motion have expired. Accordingly, this House stands adjourned until tomorrow at two o'clock.

At 6 p.m. the House adjourned, without question put, pursuant to Standing Order.

APPENDIX A

TEXT OF CANADIAN PROPOSALS ACCEPTED UNANIMOUSLY IN A PLENARY SESSION OF THE UNITED NATIONS CONFERENCE ON THE HUMAN ENVIRONMENT ON THE 14TH OF JUNE, 1972

Governments collectively endorse the following principles as guiding concepts for the Law of the Sea Conference and the Intergovernmental Maritime Consultative Organization (IMCO) Marine Pollution Conference scheduled to be held in 1973.

The twenty-three principles in question are as follows:

1. Every state has a duty to protect and preserve the marine environment and, in particular, to prevent pollution that may affect areas where an internationally shared resource is located.

2. Every state should adopt appropriate measures for the prevention of marine pollution, whether acting individually or in conjunction with other states under agreed international arrangements.

3. States should use the best practicable means available to them to minimize the discharge of potentially hazardous substances to the sea by all routes, including land-based sources such as rivers, outfalls and pipelines within national jurisdiction, as well as dumping by or from ships, aircraft and platforms.

4. States should ensure that their national legislation provides adequate sanctions against those who infringe existing regulations on marine pollution.

5. States should assume joint responsibility for the preservation of the marine environment beyond the limits of national jurisdiction.

6. The states at higher levels of technological and scientific development should assist those nations which request it, for example by undertaking programmes either directly or through competent agencies intended to provide adequate training of the technical and scientific personnel of those countries, as well as by providing the equipment and facilities needed in areas such as research, administration, monitoring or surveillance, information, waste disposal and others, which would improve their ability to discharge their duties consisting of protecting the marine environment.

7. States should discharge, in accordance with the principles of international law, their obligations towards other states where damage arises from pollution caused by their own activities or by organizations or individuals under their jurisdiction and should co-operate in developing procedures for dealing with such damage and the settlement of disputes.

8. Every state should co-operate with other states and competent international organizations with regard to the elaboration and implementation of internationally agreed rules, standards and procedures for the prevention of marine pollution on global, regional and national levels.

9. States should join together regionally to concert their policies and adopt measures in common to prevent the pollution of the areas which, for geographical or ecological reasons, form a natural entity and an integrated whole.

10. International guidelines and criteria should be developed, both by national Governments and through intergovernmental agencies, to provide the policy framework for control measures. A comprehensive plan for the protection of the marine environment should provide for the identification of critical pollutants and their pathways and sources, determination of exposures to these pollutants and assessment of the risks they pose, timely detection of undesirable trends, and development of detection and monitoring systems.

11. Internationally agreed criteria and standards should provide for regional and local variations in the effects of pollution and in the evaluation of these effects. Such variables should also include the ecology of sea areas, economic and social conditions, and amenities, recreational facilities and other uses of the seas.

12. Primary protection standards and derived working levels—especially codes of practice and effluent standards—may usefully be established at national levels, and in some instances, on a regional or global basis.

13. Action to prevent and control marine pollution (particularly direct prohibitions and specific release limits) must guard against the effect of simply transferring damage or hazard from one part of the environment to another.

14. The development and implementation of control should be sufficiently flexible to reflect increasing knowledge of the marine ecosystem, pollution effects, and improvements in technological means for pollution control and to take into account the fact that a number of new and hitherto unsuspected pollutants are bound to be brought to light.

15. Every state should co-operate with other states and with competent international organizations with a view to the development of marine environmental research and survey programmes and systems and means for monitoring changes in the marine environment, including studies of the present state of the oceans, the trends of pollution effects and the exchange of data and scientific information on the marine environment. There should be similar co-operation in the exchange of technological information on means of preventing marine pollution including pollution that may arise from offshore resource exploration and exploitation.

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16. International guidelines should also be developed to facilitate comparability in methods of detection and measurement of pollutants and their effects.

17. In addition to its responsibility for environmental protection within the limits of its territorial sea, a coastal state also has responsibility to protect adjacent areas of the environment from damage that may result from activities within its territory.

18. Coastal states should ensure that adequate and appropriate resources are available to deal with pollution incidents resulting from the exploration and exploitation of seabed resources in areas within the limits of their national jurisdiction.

19. States should co-operate in the appropriate international forum to ensure that activities related to the exploration and exploitation of the seabed and the ocean floor beyond the limits of national jurisdiction shall not result in pollution of the marine environment.

20. All states should ensure that vessels under their registration comply with internationally agreed rules and standards relating to ship design and construction, operating procedures and other relevant factors. States should co-operate in the development of such rules, standards and procedures, in the appropriate international bodies.

21. Following an accident on the high seas which may be expected to result in major deleterious consequences from pollution or threat of pollution of the sea, a coastal state facing grave and imminent danger to its coastline and related interests may take appropriate measures as may be necessary to prevent, mitigate, or eliminate such danger, in accordance with internationally agreed rules and standards.

22. Where there is a need for action by or through international agencies for the prevention, control or study of marine pollution, existing bodies, both within and outside the United Nations system, should be utilised as far as possible.

23. States should assist one another to the best of their ability, in action against marine pollution of whatever origin.

APPENDIX B

INTRODUCTORY STATEMENT BY THE HONOURABLE JACK DAVIS TO THE PLENARY SESSION, UNITED NATIONS CONFERENCE ON THE HUMAN ENVIRONMENT, STOCKHOLM, JUNE 5-16, 1972

Mr. President, Mr. Secretary General, Distinguished Delegates, Ladies and Gentlemen:

I bring you greetings from Canada. I bring you greetings from my Prime Minister, the Honourable Pierre Elliott Trudeau, who speaks on behalf of all my countrymen. Canadians from the Atlantic to the Pacific, are prepared to join enthusiastically in the adoption of measures which will help to improve the quality of life for all mankind.

The main message which I wish to convey to this great assembly today, Mr. President, is simple. It is this. Nature is all important. Nature's laws, themselves, are universal. They are far-reaching. They deal with life. They concern us all.

Man breaks nature's laws at his peril. He breaks them and succeeding generations are the poorer for his lack of foresight, his lack of sensitivity, his lack of statesmanship on the ecological front.

Man-made laws, up until now at least, are different. They differ from place to place. They differ from one country to the next. They differ often markedly, from one continent, or from one part of the world to another.

But nature's laws are more exacting. Like the fundamental truths of biological science, they can not be ignored. Mankind may bend them to suit his convenience. But he will find, in the end, that he is all the poorer for having upset nature in a vain effort to win some short-run economic gain.

What bothers me most is the thought that man, as his numbers and affluence increase, seems bent on creating a dull and uninteresting environment for himself. Mass production, mass consumption, mass disposal, massive refuse heaps—all these are characteristic of an age which has lost sight of the balance of nature, of the revitalizing force which still exists in our great outdoors and which, itself, is threatened by our increasingly pedestrian way of life.

Biology, as a science, is still in its infancy. We know even less about biological phenomenon than we do about economics. All the more reason for going slow. All the more reason to try to unravel the mysteries of nature, to monitor changes in our global environment, to play it safe in the harvesting of our living resources. All the more reason to prepare environmental impact statements before, and not after we launch new projects on a major scale.

I am not one of those, Mr. President, who believes that economic growth and environmental quality are necessarily in conflict with one another. Quite the opposite. I believe that sound economic planning involves environmental statesmanship of the highest order. A good engineer understands the forces of nature; a good economist, because he takes the long view, must also be concerned with nature's biological scheme of things.

New jobs are needed. Challenging new jobs are needed everywhere. But it is often the character of these jobs, rather than their number, which is at issue. They, like the industries to which they are attached, must go with the grain of nature, not against it. We must add to the variety of life. They must help to make the process of living more interesting for everyone everywhere.

Of course we must be careful. We must not make unnatural substances and scatter them around. Produced for one purpose, they may have unfortunate side effects which come back to haunt us in the long run. Hence the emphasis on biodegradation; on the need to replace insidious substances like DDT with other chemicals which are not harmful to living things.

These observations flow from our own experience in Canada. Artificial substances like the poly-chlorinated bi-phenols (PCB's) have had a devastating effect on our salmon runs and our bird life. We have stopped using them for this reason. We have replaced them with other substances which are more effective from an overall, resource management point of view.

We have learned, to our sorrow, that insect sprays which help to preserve certain forests, can also destroy a local fishery. We have learned that new processes using mercury, while they tended to cut the costs of other chemicals, constituted a hazard to man himself. Nor were these effects localized in their extent. Frequently they spread to other segments of our Canadian community, from province to province, and into the international sphere as well.

We moved quickly to contain these substances, to stop their production; either that or recycle them, keep them entirely within the factory fence.

There is an interesting corollary here. In protecting our local environment, we are often protecting the environment of our neighbour. By practicing environmental statesmanship, we are also helping to enhance the quality of life in lands that we will never see. Good neighbourliness, like cleanliness, begins at home. Multiplied by similar actions on the part of others, it can be an environmental boon to all mankind.

The draft Declaration on the Human Environment, which we will be shortly considering, Mr. President, con-

tains certain basic principles which Canada endorses as a desirable code for international behaviour. There is, for example, the principle that each nation accept responsibility for the effects of its environmental actions on others. Too often in the past the interests of our global community have been sacrificed by the short-sightedness, I might even say the callousness, of the few.

"Thou shalt not pollute the environment of thy neighbour, the ocean or the atmosphere". This dictum seems self-evident to me. I trust that it will become a part of our global environmental ethic in the future.

I am a firm believer, also, in environmental objectives and standards, levels of performance, which are based essentially on biological criteria, but criteria which also make economic sense as well.

These global objectives, these global standards, involve a simple test. This test pertains to life itself. Living things must not only continue to survive, they must flourish. If anything they should increase in their number and variety as the years go by.

Remember also, that life in its most sophisticated forms is our own first line of defence. Endanger a single species at the top of the food chain and you are endangering the lives of men, women and children everywhere. Wipe out an animal species like the whale, or a bird like the bald-headed eagle, and mankind may shortly be in trouble too.

These elementary standards, these biological tests, these natural criteria should not be confined to any one country. Properly drawn, they are valid everywhere. They rest on a universal truth and they should, therefore, be global in their application.

Nature's laws are difficult to define. This is why we need more research; especially research on the biological front. But a lack of information should not be allowed to obscure an important point. The case for world-wide standards I believe, is incontestable. It is incontestable, not only because the cost of being clean may not be a cost at all, but because the destruction of all kinds of living things is bound to be destructive from the point of view of society as a whole.

Pollution havens are not for us. They are inexcusable in a comparatively affluent country like Canada. They are inexcusable, also, in the less developed parts of the world. They are inexcusable because they are short-sighted, because they ignore the destruction, close in, of other resources. They are inexcusable because they also tend to make lives of the local population a dull, drab and even painful thing.

Mr. President, a great deal is expected of this Conference; a great deal in the allied fields of research monitoring and resource management. It can also help us to establish the kinds of global standards that I have been talking about. A number of international institutions will have to be set up for this purpose and, above all, to ensure that our man-made rules approximate ever more closely nature's marvelous way of doing things.

And so, Mr. President, I end where I began. Nature's laws, in truth, are universal. Man-made laws, especially in the area of the environment, must become universal as well.

The Declaration on the Human Environment marks a beginning. Hopefully, it will provide us with a framework of laws and institutions which will help us to protect nature in all its forms. Environmental protection can add immeasurably to the quality of life. It can add, tremendously, to life's enjoyment by men and women the world over.

Thank you Mr. President.

HOUSE OF COMMONS

Thursday, June 22, 1972

The House met at 2 p.m.

ROUTINE PROCEEDINGS

FINANCE, TRADE AND ECONOMIC AFFAIRS

. Fourth report of Standing Committee on Finance, Trade and Economic Affairs—Mr. Kaplan.

[*Editor's Note: For text of above report, see today's Votes and Proceedings.*]

* * *

IMMIGRATION

ANNOUNCEMENT OF MEASURES TO ELIMINATE BACKLOG OF APPLICATIONS AND PREVENT FURTHER BUILD-UP

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, in 1967 Parliament passed the Immigration Appeal Board Act and eliminated elements of the Immigration Act legislated 14 years earlier. At the same time as this new legislation came into force, new immigration regulations were passed by Order in Council. These regulations for the first time allowed visitors to Canada to apply for landed immigrant status while in our country. At the same time, we reaffirmed the advantages such as extra credits for prearranged employment and better preparation for those who applied while still in their home countries, the traditional method of immigrating to a new homeland.

The 1967 legislation refined appeal procedures and included for the first time the right of sponsoring Canadian relatives to appeal on behalf of people still in their home countries. The regulations provided objective selection criteria, based on education, skill, occupational demand, language capability, age and other factors. They eliminated what may have been unintentional discrimination under the earlier systems. A person's race, colour, creed or sex is not a factor in selection as an immigrant.

The 1967 regulations were based on recognition of the fact that an open immigration policy goes hand in hand with the economic and cultural growth of our country. Our present problem in immigration is not the calibre of the thousands of persons applying in Canada to become landed immigrants. It is rather the unexpected volume of desirable and worthy persons from many countries who are caught up in what is, in fact, a very thorough and equitable appeals system. It is interesting to note that in 1971 there were 122,000 immigrants to Canada, of whom nearly 40,000 were landed while here as visitors.

Five years ago no one could have forecast the tremendous impact jet-age world travel would have on immigration. More than 38 million persons visit Canada each year and thousands of these visitors want to settle here permanently after becoming enamoured with this land.

Whatever changes may be desirable in the Immigration Act, and these are being considered with care, are not relevant to solving the problems of today. Those problems must be met by coping with the situation we have. We have not had the administrative flexibility to clear, one way or another, the great number of cases requiring decision. In human decency and fairness, decisions must be given and given soon. Legislative changes are for the future. They can wait.

• (1410)

The result of our inability to cope with the large numbers who could not immediately be granted landed immigrant status has been a large build-up in backlogs at two levels of procedure, that is, in the immigration inquiry system and at the Immigration Appeal Board. Unintentionally, this has created hardship for many people anxious to become Canadians. As an example, abnormally long delays in determining the final status of immigrants have caused financial hardship forcing some immigrants to take employment without authorization. It is our objective to eliminate these delays so that this situation will not arise in the future. While I intend to remove the immediate hardships and eliminate delays, I do not intend to change the basic policy under which persons coming to Canada are prohibited from taking employment without permission.

I want to say that the program we are instituting now is not in the category of a general amnesty such as we have had in former years. Rather, the plan calls for action on two fronts: first, to streamline and improve current procedures to prevent a further build-up of the backlog of cases and, second, to eliminate this backlog of some 13,500 applications now awaiting hearings by special inquiry officers who determine in the presence of the applicant and his counsel whether an applicant should be landed or ordered deported.

The department's field strength is being increased by 260 persons so that backlog cases can be reviewed and be assessed and delays in the handling of current applications can be drastically reduced.

The prospective immigrant's performance in Canada will be reviewed, taking into account how he has been able to adjust to Canadian life while awaiting his departmental hearing. Consideration will be given to his financial stability, trade and language training, participation in community activities and his employment potential.

We hope this will result in the granting of landed status to some 50 per cent of the applicants whose cases have

been caught up in the backlog. Those not immediately accepted as landed immigrants will have their departmental hearings continued with full protection of their right of appeal to the independent Immigration Appeal Board.

Each applicant in the backlog will be notified that the department is undertaking a review of his case. He will be informed of the factors on which this review will be based and invited to provide any new information to show that he has in fact successfully established himself in Canada. He will also be asked to produce letters of recommendation from Canadian citizens or other permanent residents of Canada. For purpose of this review, we will be prepared to seek relief by Order in Council from the application of the relevant immigration regulations for those persons who have established themselves successfully in Canada.

In regard to new applications, our objective is that any future applicants for landed immigrant status from within Canada will be assessed within one month, and if a further hearing is necessary it will be held without delay.

It is expected that this rate of processing new applications can be achieved by January 1, 1973. No additions will be made to the existing backlog after that date. A target date of April 1, 1974 has been set to eliminate the remaining departmental inquiry backlog.

Although they cannot be resolved directly by any administrative measures, the department will also re-examine its files on some 10,000 cases now before the Immigration Appeal Board. Since I am a party to all appeals I shall, through my representatives, make submissions and arguments for favourable consideration wherever possible. It must, however, be emphasized that the board as an independent tribunal makes its own decisions on the basis of the law and the evidence adduced in each individual case.

Mr. S. Perry Ryan (Spadina): Mr. Speaker, I should like to thank the minister for his courtesy in sending a copy of his statement to me during the lunch hour. This will enable me, I hope, to make a few charitable observations about his initiative in respect of immigration.

I should like to make it clear at the outset that this initiative is most welcome and that the Official Opposition is very happy and relieved for the sake of all those who will benefit from the minister's intention to proceed by way of Order in Council in order to provide amnesty for half or 50 per cent of visitors seeking landed immigrant status. This measure was inevitable and long overdue. We are also glad to see that the number of immigration officers will be increased by 260, which should help greatly in administration. But we are not convinced that the problem is by any means solved. We feel that this is only a stopgap measure that will itself create more problems and more inequities.

We also believe that the statement of the minister this afternoon has sounded the death-knell of the government's point system policy. There remains no equity but only hardship for those who apply from abroad, in the approved manner, to become landed immigrants in Canada. In addition, in our opinion this amnesty will encourage a flood of visitor applications for landed status in Canada and discourage homeland applications, which are the preferred type.

This problem is not just one of today. It is sad that it took so long, and particularly that it took the suicide of a distraught woman, to bring the problem to the minister's attention and force him to act. The problem has been building up since 1967 when amendments were made to the act. It reached crisis proportions some time ago. In fact, the previous minister of immigration promised amendments to the act but he failed to produce any.

At the end of October, 1971, there were 7,443 cases before the Immigration Appeal Board. Today the total has reached the 10,000 mark. It took that magic number of 10,000 to waken the minister and the government to the situation.

The minister says that legislative changes are for the future and can wait. This has been the constant theme song of each of the Trudeau government ministers. The Canadian people will wait forever if they wait for the Trudeau government to perform.

The minister's measures, if they accomplish his objectives, will remove only half of the present backlog of 13,500 applications. Hearings will continue for the others. Therefore they only go half way to meet the problem of clearing the backlog.

The minister is not going to change the visitor entry policy. Until next January 1 new visitor applications will apparently be added to the existing backlog. Therefore between now and then I visualize a flood of visitor entries, urged on by travel agencies and others, seeking to beat the deadline and be accepted under the new easy entry provisions.

What happens to those already under deportation orders? Will there be a review of their cases as well? What is going to be done about work permits for tourists who seek permanent entry into Canada?

Canada needs a new immigration policy because the government's policy and its administration have failed to meet today's needs. This whole subject, I suggest, should be put before the Standing Committee on Labour, Manpower and Immigration forthwith.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, we welcome the minister's statement. The situation had become intolerable. In fact, I described it in the House a few weeks ago as "a horrendous mess". We cannot blame the present minister for it as it is the accumulation of neglect over the years. In throne speech after throne speech new immigration legislation has been promised but has not been forthcoming. The immigration portfolio has been in the hands of ministers such as the present Minister of Justice (Mr. Lang) who was preoccupied with other important offices such as minister of manpower and minister in charge of the Wheat Board.

• (1420)

All interested parties have become familiar with the lengthy delays in special inquiry hearings on deportation cases, particularly in metropolitan centres such as Toronto and Montreal. Owing to a further backlog in the immigration appeals system, it has been estimated that it takes

up to eight years to complete the proceedings authorized by law. During part of this period, that is to say, up to the time of an appeal to the Immigration Appeal Board, work permits have been refused. As the minister has indicated, this has had the effect of forcing those who did not have funds to work surreptitiously and to seek to defy the law in order to exist. It no doubt contributed to the sense of desperation which led to the tragic case of the Polish immigrant who committed suicide.

I am glad that in order to resolve this problem the minister has not relied on greater restrictions but, on the contrary, has indicated that greater administrative flexibility is to be exercised. We do not desire to restrict visitors to this country and we do not desire to prevent suitable visitors from applying for and receiving permission to stay in this country. I am quite sure that this so-called amnesty—the minister disclaims that title but it is something of that nature—will not be used to permit the admission to Canada of persons with criminal records and things of that sort.

As the regulations now stand they permit immigration officials to approve the admission of an independent applicant who does not meet the norms set out in the point system if they are of the opinion that there are good reasons why these norms do not reflect the applicant's chance of establishing himself successfully in Canada. Unfortunately, these provisions do not seem to have been used extensively in the past. Most immigration officers seem to have ignored them and relied exclusively on the point system. The point system itself requires review; it has been one of the causes of trouble. One thing that the minister can do is to make sure that his officials pay attention to the regulations.

As much as 15 points out of a total of 50 are allotted to the purely subjective judgment of the examining officer as to the personal qualifications of the applicant. The points to be allowed for occupational demand have been kept a tight secret so that the applicant does not and cannot know the basis on which he is assessed. This practice makes a farce of many special inquiries, and even appeals to the Immigration Appeal Board, because the applicant cannot know the real nature of the case against him.

Another point that needs to be reviewed is the practice of examining officers not to reveal the points they have allotted until the date of the inquiry is fixed. This has the result that applicants and their advisers cannot assess whether they will have a reasonable chance on appeal because they do not know how many points were allotted. This has led to many people entering appeals on pure speculation when the cases were hopeless or might have been seen to be hopeless if the full facts had been disclosed.

Although the minister is to be commended for the amendments and the new policy he has announced, it is only a start. The Immigration Act and the Immigration Appeal Board Act both need revision.

As far as the Immigration Act is concerned, in 1966, six years ago, the government, in the white paper on immigration by the then minister of manpower and immigration who is now Minister of Regional Economic Expansion (Mr. Marchand), proposed detailed changes in the act but nothing has been done. The Immigration Act still contains vague and antiquated provisions. It confers the right to make regulations prohibiting or limiting the admission of persons by reason of nationality, citizenship, ethnic group, occupation class or geographical area of origin, peculiar customs, habits and modes of life, methods of holding property, and so forth.

The white paper in 1966 urged that the provisions in regard to the admission of refugees be codified and made part of the law. This has not been done and cases have been dealt with on a sort of ad hoc basis.

It seems to me that the Immigration Appeal Board Act should be reviewed. It does not seem to me that exclusive jurisdiction to deal with humanitarian and compassionate grounds for not executing deportation orders should be in the hands of the board which is a court of law. Many of these cases could be dealt with far more expeditiously and just as satisfactorily by the minister or his officials. Greater power should be given to the minister and his officials to act on humanitarian and compassionate grounds. I am coming to a conclusion, Mr. Speaker.

There is no doubt that where there is large-scale unemployment, there is bound to arise a public demand for more and more restrictive measures with respect to immigration. In our view, this is not the answer. It is not the immigrants who are to blame for large-scale unemployment and it is not the immigrants who create unemployment. The net effect of immigration in Canada has been not only a great enrichment of the quality of Canadian life but also a larger measure of prosperity and expansion than we could possibly have achieved without immigration—happily, now, from many different quarters of the world.

The temptation of restriction has been avoided, and for this we are grateful. Immigration is not only an economic matter—

Mr. Speaker: Order, please. I must remind the hon. member who has the floor and other hon. members of the restriction imposed by the Standing Order which allows only brief comments on ministerial statements. It seems to me the hon. member is now making a general statement which goes some distance beyond the confines of the statement the minister made, and I hope he will find it possible to bring it to a close.

Mr. Brewin: Mr. Speaker, I had just about come to the last sentence of my remarks. As I said, the temptation of restriction has been avoided by the minister, and we are grateful to him for that. In our view, immigration is not only an economic matter but one which involves the lives of people. There is no reason why Canada cannot be just and generous.

[*Translation*]

Mr. Romuald Rodrigue (Beauce): Mr. Speaker, at the outset I wish to thank the minister for sending us the French version of his statement before the beginning of the sitting, and we are much grateful to him for that.

The minister has announced the elimination of some features of the Immigration Act, enacted 14 years ago. That modification of the act will eliminate some delays and improve administrative efficiency.

In his statement, the minister summed up the procedures previously in effect. Once more, one can realize that bureaucracy is almighty and that it needs at times to be put to reason.

I commend the minister who had the strength to repeal some outdated sections of the act and I invite him to continue along those lines in other fields which come under his jurisdiction.

We agree on the modifications announced by the minister, but I wish to remind him that Canada must not make the regulations and the law less efficient, so that the economic expansion of this country not be jeopardized by the entrance of too many immigrants.

We must continue to make a sound selection of individuals who have decided to live in Canada, especially this year when the unemployment rate is rather high.

I therefore urge the minister to be careful when amending the legislation and I ask him to continue to seek the advice of the provinces as partners, since immigration under the constitution comes under the provincial and federal authorities.

I hope that the minister will take those recommendations into consideration when the legislation is amended.

* * *

[*English*]

BUSINESS OF THE HOUSE

HANDLING OF ESTIMATES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I wish to move a motion under Standing Order 43 that is of national and obvious importance. As the time limit makes it mandatory that the total estimates for 1972-73 amounting to $11 billion shall be voted later this day and as many of them have not even been cursorily examined, I would move, seconded by the hon. member for Surrey-White Rock (Mr. Mather):

That the subject of handling of our future estimates be immediately referred to the Standing Committee on Procedure and Organization, to provide for legislative control over our tax expenditures.

Mr. Speaker: The hon. member's motion requires unanimous consent. Is there consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

[Mr. Rodrigue.]

• (1430)

TRANSPORT

KOOTENAY AND ELK RAILWAY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I rise to move a motion under the provisions of Standing Order 43. It is of great and pressing concern to a large number of railway workers and other employees in various parts of Canada. I therefore move, seconded by the hon. member for Fraser Valley West (Mr. Rose):

That the matter of the proposed building of the Kootenay and Elk Railway in the East Kootenay area to link up with the Burlington Northern Railway at the U.S. Border for the transport of export coal to the Pacific coast via the Burlington Northern Railway be sent to the Standing Committee on Transport and Communications for investigation and report as to the effect it will have on employment, on the Canadian economy in general, and on the possible export of other commodities by similar spur lines in other parts of Canada.

[*Translation*]

Mr. Speaker: This motion can only be put with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: This motion therefore cannot be put.

* * *

[*English*]

AGRICULTURE

REFERENCE OF CERTAIN ANNUAL AND SUPPLEMENTARY REPORTS OF CANADIAN WHEAT BOARD TO STANDING COMMITTEE

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I rise to ask the House if it will give unanimous consent, in accordance with consultations, to move the following motion:

That the annual and supplementary reports of the Canadian Wheat Board for the years 1968-69 and 1969-70 and the annual report for the year 1970-71 be referred to the Standing Committee on Agriculture.

I understand that the committee is anxious to have this reference. If it is agreed that there will be no debate, we can call it now, with your approval, Mr. Speaker.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. McKinley: Mr. Speaker, although this motion is debatable, we have agreed to have it passed without debate provided the other parties do the same.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we agree.

[*Translation*]

Mr. Caouette: We agree, Mr. Speaker.

Mr. La Salle: Agreed.

[*English*]

Mr. Speaker: Hon. members have heard the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

ORAL QUESTION PERIOD

IMMIGRATION

SPECIAL MEASURES TO ELIMINATE BACKLOG—INTENTION RESPECTING APPLICANTS FROM ABROAD WHO HAVE BEEN REFUSED FOR INSUFFICIENT POINTS

Mr. S. Perry Ryan (Spadina): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. In view of the announced Order in Council amnesty or partial amnesty intended to clear the backlog of visitor applicants for landed immigrant status, is it the intention of the government that the large number of those who have applied from abroad in the approved manner but who have been refused for insufficient points will be given such status as easily as those benefiting from the amnesty?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, this is very true in the case of all applicants from out of the country who were sponsored by people within the country. It is the purpose always to maintain the incentive and the advantage of making an application from outside Canada rather than within Canada.

SPECIAL MEASURES TO ELIMINATE BACKLOG—INTENTION RESPECTING NEW APPLICANTS

Mr. Ryan: As there is still a large number who apparently will not have the benefit and as there will likely be a flood of visitors who will seek to enter Canada in order to take advantage of the announced amnesty, will the present point system be continued, will the lower standards apply to them as well, or how does the government intend to handle the situation?

Mr. Mackasey: Mr. Speaker, the special provisions that I have announced refer only to those cases in what we call the backlog. New people coming into Canada in the manner which the hon. member described will be subject to the usual examination and the usual point system. The dilemma, as is obvious from the members remarks, is that we cannot have it both ways. We either welcome immigrants or we do not. We either eliminate the backlog or we let it continue. I am not quite sure what the hon. member is in favour of.

Inquiries of the Ministry

INQUIRY AS TO AMENDMENT OF ACT

Mr. Ryan: When will the minister introduce the government's long-promised amendments to the Immigration Act?

Mr. Mackasey: Mr. Speaker, I said that at the earliest opportunity this fall I intend to bring forward changes in the Immigration Act but that in the interval everything should be done to alleviate the hardships that are obviously caused by the fact there are some people who have been waiting four years for a decision. These measures are designed to deal with those cases, and I would imagine would normally carry the approval of the hon. member.

SPECIAL MEASURES TO ELIMINATE BACKLOG—REQUEST THAT OFFICIALS CONSIDER OTHER PROVISIONS IN ADDITION TO POINT SYSTEM

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I have a supplementary question. Will the minister specifically call the attention of the officers who are conducting the review to the provisions in the regulations that entitle them to go beyond or overlook the strict point system when it looks as though persons could establish themselves successfully in Canada?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, when the hon. member has a second to look at the document I think he will see that that is precisely on what it is based.

SPECIAL MEASURES TO ELIMINATE BACKLOG—INQUIRY AS TO ABOLISHING OF APPEAL BOARD

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a supplementary question for the Minister of Manpower and Immigration. In light of this amnesty, is it now the intention of the government to abolish the Immigration Appeal Board as it will not have any work to do?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, the hon. member is again referring to this as an amnesty. If it was the intention of the government—

An hon. Member: It is amnesty.

Mr. Mackasey: Mr. Speaker, I made it very clear that it was not an amnesty. If it were an amnesty, we would simply give permission to all 10,000 cases. The point is that each and every one of the people in the backlog will be assessed according to a different set of criteria. The point system is an assessment of the person's qualities. The present method will take into consideration the applicant's real qualities based on the fact that some of these people have been here two, three or four years. Therefore we can assess them on their performance during that period of time.

Mr. Speaker: Order, please. I see five or six members seeking to ask supplementaries. I think that early in the question period I should remind hon. members that today I will attempt to see members who did not have a chance to ask their questions yesterday.

Inquiries of the Ministry

Mr. Woolliams: Mr. Speaker, I asked a serious question, whether the minister was going to abolish the Immigration Appeal Board. I asked him to answer yes or no. The minister did not answer. This is just a waste of time. I wish to put that question to him.

SUGGESTED MORE EQUAL DEPLOYMENT OF OFFICERS OVERSEAS—FACILITATING OF ENTRY OF DOMESTICS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a supplementary question. In light of the fact that much of the problem results from the unequal deployment of immigration officers overseas, thereby reducing the chances of applicants to have their applications heard readily and causing them to use the quick method, is it the intentioon of the minister to bring about a more equal distribution throughout the world in order that applicants will have an earlier opportunity rather than having to take this second method?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, there is a current review of the deployment of immigration officers around the world at various points, but I would have to question whether it would be quicker to apply from within the country when some of our cases are four years old.

Mr. Alexander: One last supplementary, Mr. Speaker.

Mr. Speaker: Order, please. I have to remind hon. members again that we are running into difficulty right at the start of the question period.

Mr. Alexander: Mr. Speaker, I have another matter of concern. Is the minister aware of the legitimate need for domestics in this country and is he in fact attempting to make the regulations or the Immigration Act much easier for entrance by persons of this calibre?

Mr. Mackasey: Mr. Speaker, the role of domestics is certainly an occupational skill. I will personally make sure that it is being properly assessed by immigration officials who are processing applications from visitors within the country or would-be immigrants out of the country.

Mr. Len Marchand (Kamloops-Cariboo): Mr. Speaker, I have a supplementary question for the Minister of Manpower and Immigration. Does the minister agree that if the Indians had had a better immigration policy some years ago we would perhaps not be having all of these difficulties today?

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Regina-Lake Centre for a last supplementary on this subject and return to it later during the question period.

• (1440)

REQUEST FOR REVIEW OF DEPORTATION ORDERS WHERE PERSON'S LIFE MAY BE IN DANGER

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I ask the Minister of Manpower and Immigration a question without being argumentative or citing examples. In view of previous decisions of the Immigration Appeal Board to issue deportation orders in cases where the life or safety of the persons to be deported may be in danger, would the minister consider asking the board, if he has not already done so, to review cases of this kind? He will be as familiar as I am or more so, with two or three of them.

Hon. Bryce Mackasey (Minister of Manpower and Immigration): I am not a lawyer, but I am very respectful of courts of law or other organizations or boards having the same status. The Immigration Appeal Board is an independent body set up by law so as to reduce to a minimum political interference and patronage. I respect the wishes of the board and I never make recommendations which would have the effect of questioning the board's decisions.

* * *

UNEMPLOYMENT INSURANCE

REQUEST FOR AMENDMENT OF REGULATIONS IN LIGHT OF PLIGHT OF LAID-OFF NORTHERN ELECTRIC EMPLOYEES

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Minister of Manpower and Immigration on another subject. Has the minister's attention been drawn to the plight of some 2,000 employees laid off by Northern Electric and, in particular, to the plight of those who have been forced to go on welfare because their severance and other pay had to be used to pay off loans from the credit union? If his attention has been drawn to these circumstances and to the fact that unemployment insurance benefits will not be available to them for months, is he contemplating taking any action?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): I am aware of the unemployment policy, or perhaps I should say the employment policy, of Northern Electric. I was concerned to the extent that I personally visited the president of the company two weeks ago and encouraged him to issue a statement which he will be making in a few days jointly with the Minister of Manpower setting out the manpower programs of which Northern Electric will be taking advantage for its own future efficiency and for the benefit of the employees through retraining. He will also indicate Northern's future policy of remaining in Quebec.

As far as unemployment insurance and severance pay are concerned, the situation is not quite as the hon. gentleman describes it. These people owed the credit union $2,000 when they left Northern Electric. The decision to take the $2,000 back was strictly one made by the credit union, and one of the conditions—

Mr. Speaker: Order, please.

Mr. Lewis: That is exactly what I stated. The credit union demanded repayment. I would ask the minister this: In view of the fact that the definition of earnings is made by regulation, and in view of the fact that the requirement that severance and other pay be exhausted

before unemployment insurance benefits become available is a requirement which results from a definition contained in the regulations and, further, in view of the fact that these people—

Mr. Speaker: Order, please. It seems to me we are entering upon a lengthy debate between the hon. member and the minister. The hon. member is asking a rather lengthy question. I realize that the minister's earlier reply was also very lengthy, but I would hope that both hon. members would try to be brief.

Mr. Lewis: It may have been lengthy, but I was setting out the line of my question. In view of the fact that this situation has been produced by the nature of the regulation, and that these people are on welfare because of the demand of the credit union, would the minister not agree to amend the regulations, which does not require any action by Parliament, so that these unfortunate Canadians will not have to be welfare recipients after they have paid into the unemployment insurance fund?

Mr. Mackasey: The hon. gentleman is extremely persuasive. I wish, perhaps, that I were as persuasive as he is. I have been reviewing these regulations for some time.

Mr. Lewis: In view of the fact that the minister now has before him living examples of the unfortunate and distressing results of the present regulations, will he undertake to stop reviewing and start amending them?

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please.

* * *

[*Translation*]

LABOUR RELATIONS

QUEBEC—LONGSHOREMEN'S STRIKE—RESULT OF MEETING BETWEEN MINISTER AND PARTIES

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I direct my question to the hon. Minister of Labour.

After two or three days of discussion with the Maritime Employers Association and the longshoremen's union, could the minister indicate if the parties reached an agreement following last night's meeting so as to resume operations in St. Lawrence harbours?

[*English*]

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, after the meeting last night I did receive this morning from the Maritime Employers Association confirmation by wire that they are proceeding to arbitration. They are referring the alleged violations of the agreement to arbitration.

[*Translation*]

QUEBEC—LONGSHOREMEN'S STRIKE—POSITION OF UNION RESPECTING ARBITRATION—ALLEGED ACCUSATION OF QUEBEC MINISTER OF LABOUR

Mr. Caouette: Mr. Speaker, I have a supplementary question.

Do the union leaders also accept arbitration? Moreover, can the minister indicate if he has discussed with the Minister of Labour of the province of Quebec who last night accused his federal counterpart on television of not having done anything to solve the conflict?

[*English*]

Mr. O'Connell: As for the first question, I expect the International Longshoremen's Association and the men to honour their obligation under their agreement and under the law to participate in the arbitration proceedings. As to the second question, I have no comment to make.

* * *

CANADIAN BROADCASTING CORPORATION

DISPUTE WITH NABET—ANNOUNCEMENT OF AGREEMENT IN PRINCIPLE FOR SETTLEMENT

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, may I take this opportunity, while I am on my feet, to make an announcement on a matter which is of interest to all hon. members? Early this morning an agreement in principle was reached between the CBC and NABET for settlement of the dispute between them. The agreement is subject to ratification.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. We might return to the previous matter.

[*Translation*]

I shall recognize the hon. member for Témiscamingue on a supplementary, and then the hon. member for Sainte-Marie, also on a supplementary.

* * *

LABOUR RELATIONS

QUEBEC—LONGSHOREMEN'S STRIKE—REPLY TO ACCUSATION BY PROVINCIAL LABOUR MINISTER

Mr. Caouette: I have a last supplementary, Mr. Speaker, directed this time to the right hon. Prime Minister.

Has the right hon. Prime Minister replied to the Minister of Labour of the province of Quebec who was accusing him last night of giving more consideration to the problems of Ontario than to those of Quebec.

Mr. Speaker: Order, please. The hon. member for Sainte-Marie is rising on a supplementary.

[*Translation*]

QUEBEC—LONGSHOREMEN'S STRIKE—ESTABLISHMENT OF INQUIRY COMMISSION—POSITION OF PARTIES

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I have a supplementary for the hon. Minister of Labour concerning his statement a few minutes ago.

Is the setting up of a commission of inquiry on activities and situation of harbours the solution he has recommended to the two parties involved in order to arrive at an agreement today?

[*English*]

Hon. Martin P. O'Connell (Minister of Labour): The arbitration procedure takes precedence over a commission of inquiry. I would remind the hon. member that the intention to proceed to a commission of inquiry was contingent upon neither of the parties proceeding to arbitration.

[*Translation*]

QUEBEC—LONGSHOREMEN'S STRIKE—INQUIRY RESPECTING COMMUNICATION BY PRIME MINISTER WITH QUEBEC PREMIER

Mr. Valade: Mr. Speaker, I have a further supplementary to put to the Prime Minister.

Would he inform the House whether he had any telephone conversation or any other communication with the Quebec Premier about the situation in the St. Lawrence ports, either this morning or yesterday?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the answer is no.

* * *

[*English*]

COMBINES

INVESTIGATION OF ALLEGED PRICE-FIXING BY FERTILIZER COMPANIES

Mr. Craig Stewart (Marquette): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. It arises out of an earlier question asked by my hon. friend from Battle River and the complaints made by farmers about fertilizer prices. Has the department investigated the high price of fertilizer in Canada compared with United States prices and, if so, will the minister consider making a report to the House?

Mr. Robert K. Andras (Minister of Consumer and Corporate Affairs): I believe I said the other day that I would take the representation as notice. We are looking into the matter.

Mr. Stewart (Marquette): Can the minister tell the House whether the federal Department of Agriculture has requested such an investigation?

Mr. Andras: Not to my knowledge, Mr. Speaker.

• (1450)

INVESTIGATION OF ALLEGED PRICE-FIXING BY PFIZER COMPANY IN SALE OF VORLEX

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I should like to ask the Minister of Consumer and Corporate Affairs whether there is an investigation under the Combines Investigation Act under way in respect of a charge against the Pfizer Company for price-fixing in the sale of Vorlex, a chemical manufactured by that company which is used in the production of tobacco?

Mr. Speaker: Order, please. I have serious doubts whether that is a supplementary question, but the question will be allowed and the minister may reply and then we will move on to the next question.

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): Mr. Speaker, I think it is common practice that information of that kind is not placed before the House while an investigation is or apparently is under way.

* * *

INDUSTRY

BUSINESS BANKRUPTCIES—SUGGESTED PLACING OF EQUAL EMPHASIS ON MAINTENANCE OF PRESENT FIRMS

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I should like to direct my question to the Minister of Industry, Trade and Commerce. In view of the recent financial report which indicated that business bankruptcies are taking place at almost twice the rate of just a year ago, is the government in any way redirecting its policy to place at least as much emphasis on maintaining our present industries as on establishing new ones?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, we do a lot in order to maintain and support industries in their progress. We have all kinds of programs in aid to industries with expenditures in the neighbourhood of $150 million, in my department alone.

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CORPORATE AFFAIRS

POLICY WITH REGARD TO SUBJECTING AUTOMOBILE MANUFACTURERS TO GOVERNMENT STANDARDS AND INSPECTION OF PRODUCT

Mr. Kenneth Robinson (Toronto-Lakeshore): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. Will he advise whether it is government policy that automobile manufacturers, such as Chrysler Corporation of Canada Limited, are not subject to government inspection and government standards in the production of automobiles?

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): Mr. Speaker, automobile safety and standards pertaining thereto are under the jurisdiction of my colleague, the Minister of Transport. The question of quality of work under warranty, for instance, is a jurisdictional matter under the jurisdiction of the provinces. Complaints in respect of quality of the products of automobile manufacturers or anybody else are the subject of communications to my department. We often take up the cudgels on their behalf, but we do not enter directly into inspections of that nature.

Mr. Robinson: Mr. Speaker, will the minister ensure Canadian consumers that Chrysler Corporation of Canada Limited will be required to provide a high standard of quality for their automobiles, and will he also

ensure that Chrysler Corporation of Canada Limited will provide safeguards, warranties and guarantees in respect of faulty workmanship in production and in repairs so that consumers will not be required to spend exorbitant amounts on repairs that should not be necessary if the company had a proper standard of quality control?

Mr. Speaker: Order, please. I am sure the hon. member will agree that this is a representation, and he must assume that it has been noted.

* * *

ROYAL CANADIAN MOUNTED POLICE

CELEBRATION OF HUNDREDTH ANNIVERSAY—INQUIRY AS TO INVITATION TO THE QUEEN TO PARTICIPATE

Right Hon. J. G. Diefenbaker (Prince Albert): Thank you, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Mr. Speaker, I am glad to see the members present today sitting opposite us. It is a great pleasure. My question is directed to the Prime Minister. I would ask him whether an invitation has been extended to Her Majesty, the Queen, to be present at the centenary celebration of the Royal Canadian Mounted Police of which she is honorary commissioner? The police and western Canadians would like to know the answer.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I might begin by saying that any time the right hon. member wants to get pleasure from seeing members on this side he just has to come into the House and he will find us here in great numbers.

Mr. Hees: It is very difficult to get pleasure out of it.

Mr. Trudeau: I agree with the hon. member that he might not always get pleasure from it, but he can see them here. As to the question, I would be glad to send the right hon. member a copy of my reply which is in *Hansard* of some weeks ago.

Mr. Diefenbaker: Mr. Speaker, Machiavellian answers like that are not in keeping with the responsibilities of a Prime Minister. I would ask whether he is refusing to have Her Majesty here because of some of the statements—

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Wait a minute. Is he refusing because so many of the right hon. gentleman's supporters voted for the abolition of the monarchy at that Liberal meeting in Montreal two years ago?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I apologize to the hon. member for Fraser Valley West as it really should be his turn to be recognized. I will try to make it up in some way. I recognize the hon. member for Egmont for a supplementary question.

Inquiries of the Ministry

CONSUMER AFFAIRS

REPORT THAT CERTAIN UNSAFE CHILDREN'S CAR SEATS STILL BEING SOLD—GOVERNMENT ACTION

Mr. David MacDonald (Egmont): Mr. Speaker, I should like to direct a question to the Minister of Consumer and Corporate Affairs relating to automobile safety. In view of the action taken by the minister's department under his predecessor a few months ago to remove unsafe car seats for children from the market, and in view of the recent news report that many of these car seats are still being offered for sale and that there is a lack of investigation in regard to the problem, I wonder whether the minister has noted this and whether any action has been taken by his department?

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): Mr. Speaker, there has been a series of inspections take place to see whether there was conformity to that regulation which banned the sale of unsafe children's car seats as of June 1, and follow-up action is being taken whenever we discover that such seats are still on the market.

Mr. MacDonald (Egmont): Mr. Speaker, would the minister indicate whether there is sufficient staff to enforce this regulation effectively, and will he be making a statement to indicate in some detail the nature of these seats that may still be on the market so that consumers who are actively purchasing these items during the summer season may be aware of the dangers involved?

Mr. Andras: Mr. Speaker, there has been an attempt made to describe them in various publications issued by my department, in press releases and in speeches across the country. We always wish we could do more. We certainly could use more inspectors, but I do not know what size an army we would really require if that is the only way we could police this.

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EXTERNAL AFFAIRS

IMPENDING NUCLEAR TEST BY FRANCE—SUGGESTED PROVISION OF CANADIAN NAVAL ESCORT FOR "GREENPEACE III"

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I should like to direct my question to the Secretary of State for External Affairs. Does the Canadian government plan to provide any kind of naval escort protection to the *Greenpeace III*, a vessel which is under Canadian registry, skippered by a Canadian, and reported to be in the nuclear test zone on the high seas, in order that this vessel will not be apprehended, harassed or in any other way bothered by the government of France?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, my information is that the *Greenpeace* is flying under the Peruvian flag, not under the Canadian flag. Some time ago, long before Mr. Metcalfe sent his telegram to the Prime Minister yesterday, we brought to the attention of the French government the probable presence of some Canadians on the *Greenpeace*

and expressed our concern for their safety. Of course, we cannot prevent any Canadian from travelling on the high seas as he wishes, and if he chooses to go into an area of danger I really do not know what basis in law I would have to prevent him from doing so.

Mr. Rose: Since Canada has protested this nuclear test through a note, and in view of the fact that opposition to nuclear testing is within the four corners of Canadian government policy, and since this is a Canadian vessel on the high seas that is threatened, has the minister any explanation for this appalling external affairs timidity that would embarrass the president of a banana republic?

Mr. Speaker: Order, please.

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

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The minister is rising on a question of privilege.

Mr. Sharp: Mr. Speaker, I should like to point out to the hon. gentleman that, far from being timid, this government has made very strong protests to the French government against nuclear weapons testing of all kinds.

Mr. Diefenbaker: That is not privilege; that is an abuse.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member will be recognized on a supplementary question, but we are obviously getting into a debate at this point. If the hon. member has a supplementary question he will be recognized for that purpose.

Mr. Rose: Mr. Speaker, some members around us have suggested that both the minister and I should be on the *Greenpeace.*

Some hon. Members: Hear, hear!

Mr. Rose: Mr. Speaker, I should like to proceed with my supplementary question. Since Canada has protested this test through a note, and the minister reiterated that, how can the government in good conscience not protest the conditions surrounding this particular action?

Mr. Speaker: Order, please. The hon. member will appreciate that this is argument, not a question.

* * *

• (1500)

[*Translation*]

REGIONAL ECONOMIC EXPANSION

REQUEST THAT SHERBROOKE BE DESIGNATED AS SPECIAL AREA

Mr. Henry Latulippe (Compton): Mr. Speaker, I wish to direct a question to the hon. Minister of Regional Economic Expansion.

[Mr. Sharp.]

Would the minister tell the House whether Sherbrooke is going to be designated as a "special area", in view of the large number of very poor adjacent parishes located in the western Sherbrooke area?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I believe I made a statement in the House last week concerning this matter. I have nothing to add at the moment.

Mr. Latulippe: Mr. Speaker, I wish to ask a supplementary question.

Would the minister have any particular suggestions in order to include parishes adjacent to Sherbrooke in a "special area", either by separating them from Sherbrooke, or by designating areas on a county rather than a region basis?

Mr. Speaker: I think that this question is more in the form of a representation made by the hon. member, and I believe that he must assume that it has been noted.

INQUIRY RESPECTING DESIGNATION OF NEW SPECIAL AREAS

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

In view of the statement he made two weeks ago, could the hon. minister tell the House whether discussions are now under way with the Quebec government in order to determine new special areas for the province of Quebec and, in such a case, whether there will be an announcement in the House by the end of this month?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, we maintain contacts with the government of Quebec for many reasons. We have made 45 agreements with provinces and we are continuing negotiations with them.

Mr. Speaker: Order, please. May I remind hon. members once more that the oral question period will be ending in a few minutes and if they ask five or six supplementaries on each question, we shall never finish. However, the Chair recognizes the hon. member for Lotbinière for a last supplementary on this matter.

DISCUSSION OF DESIGNATION OF SPECIAL AREAS WITH PROVINCES

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion.

Can the minister indicate whether or not the issue of designated areas is included in the 45 topics which he is discussing with provincial governments?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I will simply refer the hon. member to the statement I made about 10 days ago. I think if the hon. member takes the trouble to read *Hansard,* he will find the answer there.

[*English*]

UNEMPLOYMENT INSURANCE

ALLEGED DELAY IN PAYMENTS TO MARIA DOS ANJOS—REQUEST FOR ACTION TO AVOID ADMINISTRATIVE ERRORS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Manpower and Immigration of which I have given him notice. Has the minister looked into the case of Maria Dos Anjos of Toronto whose unemployment insurance payments were held up for seven months? If so, is he now proposing to take steps to make sure that the administrative errors which brought about this almost unbelievable delay will not take place in the future?

Mr. Speaker: Order, please. The Chair has serious reservations about the advisability from a procedural standpoint of hon. members referring to this kind of individual case. It seems to me that in such circumstances we could, from day to day, spend all of the question period looking into individual cases involving several departments. Perhaps the minister could reply briefly, but I would not wish to encourage hon. members to bring up individual cases in this way.

Mr. Hees: Mr. Speaker, since the minister does not seem to want to answer, I might say on a point of order that this case is the most outstanding of a great many similar cases which have arisen in the past few months. I ask the minister to give some indication whether this kind of mess is going to be cleaned up.

Mr. Speaker: Order, please.

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FLOODS

BRITISH COLUMBIA—ASSISTANCE TO FLOOD VICTIMS—POSSIBLE FEDERAL AID IN CONSTRUCTING CONTROL FACILITIES

Mr. Bruce Howard (Okanagan Boundary): Mr. Speaker, I have a question for the Prime Minister. It concerns the news release today which indicates that the federal government will make a financial contribution to assist flood victims in British Columbia. No mention was made in the news release of any federal assistance toward the creation of better flood control facilities in the affected areas. Has the province of British Columbia requested any assistance for the construction of permanent flood control facilities and, if so, what answer did the federal government give?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I did send a telegram to Premier Bennett indicating the ways and conditions under which the federal government would contribute to such cases of damage arising from flood. But on the latter part of the question concerning whether there was any request for flood control building, expenditures or works, there was no such request in the telegram to me. Of course, we have in the past, even in that area of British Columbia, contributed to flood control works and we would consider doing so again if a request were made.

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AGRICULTURE

FROST DAMAGE IN SOUTHWESTERN ONTARIO—INQUIRY AS TO ASSISTANCE

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the announcement of aid to flood victims in British Columbia would the right hon. gentleman consider aid to those who suffered from heavy frost in southern Ontario?

Mr. Speaker: The hon. member for Crowfoot.

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LABOUR CONDITIONS

TRUCKING INDUSTRY—POSSIBLE EXTENSION OF REGULATIONS GOVERNING HOURS OF WORK

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I should like to direct my question to the Minister of Labour. Will the arrangements which are in effect with regard to the trucking industry concerning hours of work be extended past July 1 this year?

Hon. Martin P. O'Connell (Minister of Labour): If we are discussing the same regulations, they would come into effect on January 1, 1973.

* * *

COMBINES

ALLEGED SEIZURE OF DOCUMENTS FROM PFIZER COMPANY BY RESTRICTIVE TRADE PRACTICES COMMISSION

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I wonder whether I could direct a further question to the Minister of Consumer and Corporate Affairs. Can he tell the House whether the Restrictive Trade Practices Commission has conducted raids or seized documents from the offices of the Pfizer Company in the course of an investigation into price-fixing in the sale of chemicals?

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): I will do a check, but my opinion now is that it would be improper for me to make any comment. I will, however, check to see if that interpretation is correct.

Mr. Gleave: Would the minister, in the course of his investigation, read an Ontario publication called *Farm and Country*—

Mr. Speaker: Order, please. The hon. member for St. John's East.

Inquiries of the Ministry

REGIONAL ECONOMIC EXPANSION

NEWFOUNDLAND—REQUEST FOR STATEMENT ON RECOMMENDATIONS IN ATLANTIC DEVELOPMENT COUNCIL STUDY

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to ask the Minister of Regional Economic Expansion when we can expect a policy statement on the special study the minister has had now for some time which was commissioned by the Atlantic Development Council on the operation of the Regional Development Incentives Act in the province of Newfoundland? That study contains some very important recommendations. When can we expect some action?

Hon. Jean Marchand (Minister of Regional Economic Expansion): This is something we are discussing with the government of Newfoundland, and as soon as we reach agreement we will let the hon. member know what we decide.

* * *

ELECTIONS

INQUIRY AS TO BY-ELECTION IN OTTAWA CENTRE

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question of local interest for the Prime Minister. Will a by-election be called to fill the vacancy in Ottawa Centre on October 16, the same day as the by-elections in York West and Trinity-Conception?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am glad the hon. member's research staff is at least turning up questions now which are founded on fact, which was not the case in respect of his previous question to me a couple of days ago.

Some hon. Members: Oh, oh!

Mr. Hees: Just answer yes or no.

Mr. Trudeau: Mr. Speaker, I have—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. We are running short of time. The right hon. gentleman has the floor for the purpose of replying to the question asked by the hon. member for Fundy-Royal. The hon. member for Mackenzie.

* * *

GRAIN

BARLEY—POSSIBLE EXTENSION OF DELIVERY QUOTA—AVAILABILITY OF BOXCARS

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, my question is for the minister responsible for the Wheat Board. Since the 15-bushel quota for barley will be terminated tomorrow and many points have not had sufficient boxcars to take in the available barley in the area, is there enough barley in the system so that there will not be an extension of that quota, or will there be additional quotas available in lieu of the present quota?

[Mr. Speaker.]

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, when the Wheat Board increased the barley quota to 40 bushels with the additional 15 bushels and with a short time for delivery I had discussions with the board about the problem of the limited time available for delivery. They indicated they would be watching the situation very closely to try to ensure that every producer did have space and opportunity and that they would consider extensions if that seemed to be necessary to accommodate barley.

• (1510)

[*Later:*]

Mr. Korchinski: Mr. Speaker, since many of the elevator points have been emptying annexes which they intend to close down rather than taking in grain in the interval until boxcars are allocated, would the minister take that into consideration and would he spot cars particularly at those points where they have been carrying on that practice?

Mr. Lang: The minister, of course, does not spot cars, but I will certainly bring to the attention of officials the hon. member's concern about the situation.

* * *

[*Translation*]

EXTERNAL AFFAIRS

REPORTED REQUEST TO GROUP VISITING QUEBEC HOUSE IN PARIS TO REMOVE CANADIAN FLAG LAPEL PINS— REPRESENTATIONS BY CANADIAN GOVERNMENT

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I have a question for the Secretary of State for External Affairs.

The minister stated yesterday, as reported at page 3343 of *Hansard*, that he had no knowledge of the incident which took place in Paris, where members of a Canadian delegation to Quebec House who wore Canadian flag lapel pins were provoked. Would the minister say whether he has now been informed of the incident?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Yes, Mr. Speaker. I have no more information yet except I understand that the prime minister of Quebec, who is a very good and distinguished Canadian, is looking into this incident himself. I am sure he would not want any unfortunate effect of the report that has been made to continue. As a good Canadian, he would want to be sure that there has been no insult to his fellow Canadians.

[*Translation*]

Mr. Speaker: Order, please. There are only two minutes left before the end of the oral question period. Maybe the hon. member would hurry.

Mr. Rondeau: Mr. Speaker, has the Secretary of State for External Affairs made representations to the Quebec government in order to avoid the recurrence of such incidents and to have the Canadian flag respected in Quebec?

[*English*]

Mr. Sharp: I would want to be sure of the nature of the incident that took place. I am sure the prime minister of Quebec will be making inquiries along the same lines.

* * *

THE CANADIAN ECONOMY

TAXATION OF MIDDLE-INCOME GROUP AND ANTI-POVERTY PROGRAMS

Mr. Walter Deakon (High Park): Mr. Speaker, in view of the various questions involving the Minister of National Health and Welfare that were put when he was not here yesterday about the middle-income group and a statement made outside the House, I should like to ask him whether he would advise the House if he honestly believes, as reported, that the middle-income group—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Would the hon. member resume his seat. The hon. member will appreciate that he is asking the minister a question about a statement made outside the House. The only way such questions can be asked is by directing them to the Prime Minister to ascertain whether such statements represent government policy.

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

Mr. Speaker: Order, please. I will have to call orders of the day after the point of order.

Mr. Hees: It is not the hon. member's fault, Mr. Speaker. He is simply reading it the way the minister wrote it out for him.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member might like to rephrase his question.

Mr. Deakon: Mr. Speaker, this happens to be a question of privilege because, I regret to say, in this House a backbencher on the government side rarely has the opportunity to say too much. I was speaking about the middle income group and I was the first member who raised this point. All of a sudden, the opposition finally saw the light.

Some hon. Members: Oh, oh!

Mr. Deakon: I should like to rephase my question, Mr. Speaker.

Mr. Speaker: Order, please. The House will appreciate that we have reached the end of the question period. The hon. member was recognized for the purpose of rephrasing the question but he rose rather on a question of privilege. With the consent of the House he might be allowed to rephrase the question.

Some hon. Members: Agreed.

Business of the House

Mr. Deakon: Mr. Speaker, I should like to ask the minister whether it is government policy that the middle-income group should be paying all the taxes in this country?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker—

Mr. Hees: Get out your music and sing.

Some hon. Members: Oh, oh!

Mr. Munro: Inasmuch as various references have been made to the speech I made recently, the hon. member will be pleased to know that the speech contained the statement that the families who will lose all or part of family allowances make up only 28 per cent of the total cost of the family allowance program. That is hardly indicative—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. May we have order, please. Orders of the day.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. MacLean: On a point of order, Mr. Speaker, I wish to ask the President of the Privy Council, in his capacity as House leader, if he would indicate what business the government proposes to place before the House at least for the next two or three days.

Mr. MacEachen: Mr. Speaker, I would like to advise hon. members that tomorrow we will begin government business by dealing with the Canadian Wheat Board bill, followed by the occupational training act, the Pension Act, the Family Income Security Plan, and the Canada Labour Code. In any event, on Monday we will begin with the foreign takeovers bill, and following that we will be able to return to any of these items that might still be uncompleted.

[*Translation*]

Mr. Fortin: Mr. Speaker, in order to expedite the consideration of the business of the House, I should like to suggest that the first speaker for our party and the hon. member who will speak in reply be allotted 30 minutes each, that the spokesmen for the two other parties and all other speakers be allotted 20 minutes and we consider revising these rules of debate at eight o'clock tonight.

Mr. Speaker: The House has heard the suggestion of the hon. member for Lotbinière (Mr. Fortin) that the House follow the provisions of Standing Order 58. In these circumstances, of course, it is not necessary to ask for consent.

[*English*]

Mr. MacLean: That is agreeable, Mr. Speaker.

• (1520)

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—IRRESPONSIBILITY OF GOVERNMENT IN FEDERAL-PROVINCIAL RELATIONS

Mr. C.-A. Gauthier (Roberval) moved:

That this House regrets the government's responsibility for the deterioration of federal-provincial relations as a result of its uncompromising attitudes and policies, its unilateral decisions and its refusal to meet legitimate needs of Canadian provinces, mainly through not making available to them the funds required for development, economic expansion and welfare of the population.

Mr. Speaker, it is a great pleasure for me to move on behalf of my party, the Social Credit party of Canada, the motion now before us.

The Social Credit party of Canada is not the only one to take the federal government to task about this. And it is not the first time either that we state economic and financial principles such as these and level such constitutional criticisms.

We of the Social Credit party never missed the opportunity of asserting the fiscal rights of the provinces to enable them to meet the needs of their citizens.

I for one rose on several occasions in this House to urge the successive federal governments to give back to the province of Quebec what they had borrowed during the war and had formally promised to return.

But the federal government always turned a deaf ear and for the last four years we have felt that the more we tried to improve federal-provincial relations the more we stumbled against the stubbornness of this government which seems to do everything possible to disgust the province of Quebec and scuttle the confederation.

A close look at this makes one realize that this government closed the door to all negotiations, so much so that it does not even hear the outcries from the provinces. In Quebec, such an attitude would be understandable if there were a Conservative government in Quebec and a Liberal government in Ottawa, because we would then witness the traditional jousts in which those two old parties have engaged since confederation.

But to our astonishment, we realize that Quebec always suffered the worst political and constitutional setbacks whenever there was a Grit government both in Quebec and in Ottawa. Is it because the provincial premiers blindly put their faith in their Ottawa friends and that the latter turned that to account by pushing forward their centralizing views, or because party interests prevailed over those of the people?

That is a coincidence, some will say; however, it is so striking that any earnest Quebecer could hardly fail to consider it.

How far back should one go to find complaints from provincial governments and municipalities against the federal government? Probably at the very first federal-

provincial conference, which took place immediately after World War II when the province of Quebec, among others, asked for the return of its taxation rights which had been irresponsibly surrendered by Premier Godbout who simply wrote to Mr. Mackenzie King without even consulting the Quebec legislature.

At random, I shall refer to the minutes of federal-provincial conferences in order to show that the provinces have always asked for the return of their taxation powers or sometimes have again exchanged them for more funds to be provided as equalization payments.

Therefore, the whole matter revolves around questions of money, taxation and taxes.

The Prime Minister of Canada (Mr. Trudeau) said: We have spending powers; therefore, we have taxation rights In turn, the provinces say: We have spending powers; we also have taxation rights. Essentially, in that situation, the citizen reaps only taxation and taxes.

Let us go back to 1963. What did Quebec Liberal Premier Lesage have to say to the Liberal Pearson government about the Fulton-Favreau formula? On November 25, 1963, he said this:

The fiscal arrangements necessary to meet this situation that is the state of war were to be only temporary. At the beginning, it was believed that the spirit of federalism would be reasserted as soon as hostilities were over, but the economic consequences of the war lasted several years longer, years during which the former arrangements were maintained.

But we are now living in 1963. There is no longer a state of war, and the economic problems which confronted Canada after 1950 are not those of today. It is the needs of the provinces which, after all these years, have to take precedence over those of the federal government.

And Mr. Lesage explained his comments thus:

When we say that our needs have to take precedence, we are not expressing a subjective point of view. We are basing ourselves on facts that anyone can verify for himself.

In other words, our needs have not become priority ones because we wished them to be so, but because their nature rendered them thus.

We know that Quebec's needs are essential ones. We have already insisted upon this point. In brief, we have to improve our level of education, since the goal of national self-assertion for which we are now striving would otherwise be ephemeral.

• (1530)

We have to raise the level of public health and social welfare in our province, so that our citizens may play a more efficient part as producers in our economy and so that they may become happier human beings. Finally, it is necessary that the province be henceforth in a position to carry out its responsibilities in the economic sphere.

At the same time as the federal government's reasons for considering its needs as having priority over those of the provinces were losing their validity, another factor was manifesting itself, a factor of which all the countries of the world were aware, and the presence of which completely reversed the situation that prevailed from 1939 to about 1956. This factor is the new direction that must be followed by modern economic policy.

For many years, as we have pointed out, the problem of economic stability and that of inflation rightly preoccupied those who were responsible for the economic development of the country, and led them to adopt the measures that the situation called for. From the very fact of their actions and the cooperation of the private sector, these problems, without having disappeared entirely, have nevertheless been considerably attenuated. The problem that remains today, and in acute fashion, is that of economic

development, and this problem is far from being solved; on the contrary, it might very well be the cause of a large proportion of the unemployment that is continuing to plague the economy of Canada and Quebec.

With regard to this problem, which, if it is not a new one, is at least more present than ever before, we only have one question to ask: which, of the federal government or the provincial governments can best find the solution? And our answer is: the two sectors of government can take part in its solution—but it is an undeniable fact that the provinces have a great part to play in this regard.

The reason for this is very simple. Under the Canadian Constitution, the important elements of economic growth and the development of the wealth of the soil, which are but one aspect of the question, fall within the jurisdiction of the provinces. The latter actually control the greater number of factors through which a true development policy can come and can have a chance of success. The provinces are also in a position to influence the rate of their own industrial progress by their actions in the location of secondary industries, by laying out roads and communications to facilitate access to basic resources and by their absolute jurisdiction over municipal structures. Furthermore, they can participate directly in investments for the development of resources and the establishing of industries in places where economic conditions make it desirable. In other words, the provinces are better placed than the central government to initiate a policy of economic development, because they are closer to the particular problems of their people and the regions that make up their territory.

Thus spoke the Quebec premier in 1963. On the other hand, what did the New Brunswick premier, also a Liberal, Mr. Robichaud, have to say? I quote:

The Government of New Brunswick has at no time willingly accepted the terms of the Federal-Provincial Tax Rental Agreement currently in effect. This agreement has been a major step *backward* in the efforts being made to recognize the economic differences between the provinces.

The financial capacity of the provinces, necessary to provide essential services on an equal basis to the citizens of the whole country, has been seriously handicapped by those agreements. New Brunswick will insist during confederation that those agreements now in effect be renegotiated so that they may reflect more accurately the financial requirements of the provinces.

Mr. Speaker, while we attended those conferences as observers and that all seemed to be going just fine, as we say, that everybody seemed to agree, one could hear liberal premiers say that they were opposed to federal government initiatives in the fields under provincial jurisdiction.

Let us refer now to the Victoria federal-provincial conference. What were the premiers saying? We want more money.

Here is how Premier Robarts of Ontario voiced his thoughts:

Let me tell you how we visualize this in Ontario: If we cannot obtain a better share of tax revenues, and if we refuse to overtax our citizens and our industries, we will have to regress in our present programs. Among others, I will mention more specifically education, health, transportation, energy development, resource development, housing, urban renewal, and pollution.

It was then the turn of Mr. Jean-Jacques Bertrand, the then premier of Quebec, to complain of the interference and omnipresence of Ottawa—and I quote:

The present federal government, helped by a tax-sharing system of which it can never be said enough that it is unfair and goes against the legitimate freedom of provinces, discovers areas of responsibility for itself everywhere—in educational radio and television, cultural affairs, urban affairs, offshore mineral resources, securities trade, post-secondary education, university research, water, air and earth pollution, highway transportation, foreign relations even with regard to education or other provincial matters, community development, and even civil law, through the estate tax.

It looks as if, to the federal government, provincial governments are at most administrative divisions of a wealthy, omnipotent, ruling central power.

What was then the reply of Canada's Prime Minister? Here it is:

The second issue of concern to us is spending power. This phrase as such does not appear in the text of the constitution, but we all know that spending power is a prerogative not only of the federal government, but of the provinces as well.

The federal government has used its spending power in connection with programs such as hospitalization insurance, welfare—under the Canada Assistance Plan—medicare, health programs, and several others which I mentioned yesterday. It is this spending power which has allowed for the introduction of such programs through the federal government.

It was for the premier of British Columbia, Mr. Bennett, to bring the debate back to its true proportions. And this is what he had to say:

• (1540)

It is not the spending power which is primarily at stake, but the power of taxation, the power of obtaining income from taxes. If there is money in the government chest, they will spend it even in areas of activities outside their jurisdiction: such is the problem that is eating away the confederation.

This problem has not arisen a century ago; it dates back to World War I. Mr. Thomas White, the then Minister of Finance, ventured for the first time into the income tax field. This did not occur 100 years ago.

He declared then that it was a provincial and not a federal prerogative which would be reviewed when the war ended. During World War II, the federal government laid claim to this whole area of taxation. In the intervening years after the war, Canada has experienced the greatest development in its history and tax income has considerably increased. Instead of surrendering this field of taxation to its rightful owners, the provinces, federal authorities have continued to replenish their chest. They went on exercising this provincial authority, which is the reason why we are now faced with so many problems with Quebec. British Columbia shares Quebec's position in this respect. This is the root of our constitutional difficulties and that is what we should brace ourselves to deal with.

This is where the central government has been guilty of excesses and this is the source of all our difficulties. Provincial governments cannot be certain of any income when the federal administration exercises this power: even municipal property tax is not safe anymore. Excluding the federal government, no province, municipality or city has any jurisdiction over any tax basis. Listen to this: Sir Thomas White states that it is a provincial area of taxation, but the federal government would not desist.

This is the root of the ill and, as premier of the province of British Columbia, I suggest that we should remove this aspect from the taxing powers held by the federal government.

Mr. Speaker, we realize that the premier of British Columbia has made no bones about it and that he was able to deal with the situation.

And as the Social Credit Party of Canada always strived to make constructive criticism, that is by making alternative proposals, I shall quote from a resolution passed by our national council, in April 1971, on our constitutional positions.

Paragraphs 3 and 4 read as follows:

3. However, the Social Credit Party of Canada believes that we must go beyond the present status quo which does not satisfy anybody and grant to provinces the power to be themselves, to develop and flourish according to their needs and aspirations.

Federal-Provincial Relations

4. Therefore, the Social Credit Party of Canada proposes the review and application of a renewed federalism in which provinces or groups of provinces will contribute, through their representatives or governments, to the development of policies relating to the whole country and benefitting all Canadians.

Specifically, the Social Credit Party suggests the drawing up of a new constitution that would be made in Canada, by Canadians, for Canadians, primarily to come back to the spirit of a true confederation, the components of which, namely the provinces, would take back the powers that are rightfully theirs, to safeguard their identity, to ensure the provinces true participation in monetary, fiscal and commercial decisions which, now taken at the federal level, have deep influence on the economy and the policies of the provinces.

The provincial governments should have their say in monetary policy decision-making. The exclusive control of the federal government over money and its extension, that is the credit it grants, its action on the rate of exchange, on the fluctuations of the money supply, on prices and inflation, directly influence the finances of the provinces and local economic development.

For these reasons, the provinces should take part in the development of this policy. In consultation with the central government, they should be allowed to mint their own credit, just as they are now able to borrow on their own credit.

As for customs, the provinces are now unable to protect their industries, whereas the central government may, by exercising its power to decree or negotiate customs tariffs, regulate exports and imports and greatly affect the economy of the provinces.

We feel that the negotiation of customs tariffs and the signing of important trade agreements should be done in consultation with and with the agreement of provincial governments.

What about taxation now? At the beginning direct taxation was reserved to the provinces and this was their only source of income. Policies adopted in wartime first led the central government to deprive the provinces of this source of income; today, the constant presence of the central government in the field of direct taxation results in practically freezing and annihilating the freedom and power of the provinces in this field.

The growing needs of the provinces in the education, social security and industrial development fields entail the restitution to them of their direct taxation power.

Under social security we class family allowances, old age security, health and housing. These fields fall within provincial jurisdiction under the constitution.

We contend that because of the various statutes governing these fields efficient planning it not possible.

On the other hand, as Quebec intends and justly so to keep its constitutional and historic job as guardian of the French Canadian culture it must be able to organize its social life in accordance with its aspirations and its own ideas. We believe however that some machinery should be put in place so that such measures may be applied from coast to coast, the federal government acting as co-ordinator on a national basis.

[Mr. Gauthier.]

As far as education is concerned, it is a field that comes exclusively under provincial jurisdiction and it should remain there.

That, Mr. Speaker, is what the Social Credit suggests as a remedy for the present difficulties we are in, before the country falls into anarchy and revolution.

[*English*]

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, please excuse my hesitancy in rising. Thinking that perhaps the minister might want to speak, I wanted to defer to him in case he rose.

The motion proposed by the hon. member for Roberval (Mr. Gauthier) gives us plenty of scope to discuss the constitutional arrangements of our country and permits us to recall that just one year ago we seemed to be at the point of reaching agreement, "we" meaning the government of Canada and the provinces, on proposals submitted at what has become the ill-fated Victoria conference. Since then, the constitutional discussion has lapsed and the secretariat in the Office of the Prime Minister has been put on half pay, so to speak. The argument is pursued by press release and by unilateral statement. Just in the last week, we witnessed the Minister of National Health and Welfare (Mr. Munro) approaching the Quebec Minister of Social Affairs, convoyed or shepherded by the Minister of Regional Economic Expansion (Mr. Marchand). That was an interesting spectacle.

Four years ago, when former prime minister Lester Pearson opened the first federal-provincial conference on reform of the constitution with stirring words which, in the opinion of many, expressed optimism and were a declaration of the seriousness of the purpose of the conference, he said:

There are times in the life of a country when the assurance of good intentions, the discharge of normal duty and acceptance of routine responsibility, are not enough. What such times demand is the exercise of courage and decision that go far beyond the needs of the moment. I believe that this is such a time for Canada."

It is tragic that in the intervening four years we have witnessed what could fairly be termed as a heating up of constitutional debate and, finally, a running down of will, so to speak, on the part of this government and many other governments of this country. That brave spirit has faltered. Because it faltered, the hon. member for Roberval (Mr. Gauthier) has put forward his resolution.

• (1550)

The Special Joint Committee of the Senate and the House of Commons on the Constitution reported on March 16 of this year. It made some 105 recommendations. The first was a series on the constitution, including its patriation. The committee made suggestions about the people of our country, their language rights and what we call their fundamental rights. It discussed federal institutions such as the Supreme Court, Parliament, both its branches, and the head of state. Important recommendations were made about the division of powers. I think it is time to recall some of the recommendations. The second was, and I quote:

A new Canadian Constitution should be based on functional considerations, which would lead to greater decentralization of governmental powers in areas touching culture and social policy

and to greater centralization in powers which have important economic effects at the national level. Functional considerations also require greater decentralization in many areas of governmental administration.

I think it is safe to say that when these recommendations were being prepared, we were conscious that the most critical challenge, and I quote from the report:

—focuses on Quebec's role in Confederation. Questions of Quebec's self-expression and development, culture, language, poverty and unemployment are part of this challenge. Its intensity and magnitude alone, with its threat to our very continuance as a state, is enough to justify constitutional reform.

I think it is correct to say that through the formula of centralization of what I might call the economic powers and the decentralization of social responsibilities, we thought there might be a formula for a second century of federalism.

I wish to go on because in the few minutes that are mine this is perhaps the only theme I will have time to discuss. The committee went from that early recommendation to one in Part IV, The Governments; the division of powers. I suppose it is best to number the recommendations for those who will follow me and will want to make use of this speech. I quote:

49. The use of exclusive lists of federal and provincial powers, but with an extended list of concurrent powers, should be continued.

50. Concurrent powers which predominantly affect the national interest should grant paramountcy to the federal Parliament and those which predominantly affect provincial or local interests should grant paramountcy to the provincial legislatures.

51. The Constitution should permit the delegation of executive and administrative powers (as at present), but not of legislative powers, except where expressly specified in this report.

We heard many reasons from all across Canada to support these recommendations. They are listed on page 43 of the report. I would like to share one or two of them because we have not really had a chance to discuss *in extenso* this report. I quote:

(1) The federal Parliament does not have sufficient power to manage and plan the economy.

(2) The federal Parliament does not have sufficient power to cope with large multinational corporations, international unions, and the overwhelming influence and power of the United States of America.

(3) The citizens of Canada are handicapped by the lack of national standards in education.

We heard about other things such as bilingualism, securities regulation, pollution control, trade regulations and so on. Of course, some of these areas were known to the committee before we started our work. Others were underlined by witnesses whom we heard across the country.

I suggest there is an obligation upon us to try to revise the will of the respective governments to reach some sort of an agreement. I believe that in the area of social policy, the agreement or potential agreement between the government of Canada and that of Quebec is fairly close. What the committee sought to do was to redistribute power. After all, that is what a constitution in a federal state is about, or the main thing that it is about. It can be couched in dull or eloquent language. It can be made impossibly dull by legalism, but really what we are talking about is the distribution of power between those who have the responsibility for government at the federal and provincial levels.

We suggested that the provinces should have more control over social policy ranging all the way from welfare to educational television. The provinces could then fix their own priorities in light of their own cultural and economic development and the government of Canada would be given more power to control the national economy. Of course a spillage, or more than a spillage, a result of this would be the fact that by being able to control the national economy, some of the priorities of the provinces could be adjusted from time to time as the economy picks up, unemployment drops and so on. Incidentally, we have not had a response from the government of Canada on the recommendations of the committee, at least as far as I am aware.

Mr. Pearson expressed the urgency some four years ago in this way, and I quote:

Here the road forks. If we have the resolution and the wisdom to choose now the right course and to follow it steadfastly, I can see few limits to what we may achieve together as a people. But if we lack the courage to choose, or if we choose wrongly, we will leave to our children, and our children's children, a country in fragments, and we ourselves would have become the failures of Confederation.

I do not want to be boastful, but I do say that it was a great privilege to serve on the Special Joint Committee of the Senate and House of Commons on the Constitution. I felt very strongly gripped by the sense of urgency which one can see if he reads the various recommendations. I certainly hope that the debate in which we are engaged today will provide a forum so that others who feel as I do can expound a bit on this committee report.

The problem of jurisdiction in the field of social policy arises partly from the lack of a clarifying section in the constitution. Responsibilities tend to lie with the government which produces legislation. Both Quebec and Ottawa have legislated in the social field. Both claim the right to do so. I hope in the few minutes remaining to me to discuss the positions taken by the respective governments. If I may put it this way, Quebec's traditional claim that the actions of the federal government are unconstitutional in this field is based on section 92 of the British North America Act dealing with family and educational matters, and the premise that social security measures as a whole bear directly on the culture of a people enabling them to express themselves collectively. Thus, the province asserts a right to complete jurisdiction over all social policies.

• (1600)

At the moment, Quebec exercises complete jurisdiction over workmen's compensation, the Quebec pension plan, its own supplementary family allowance plan and its own schooling allowances. It demands exclusive jurisdiction in the field of income security, manpower, including vocational training, and manpower centres, social services, including those links with the administration of justice, health services, including financial programs such as hospital insurance and health insurance, housing and leisure—what governments may feel called upon to do, though this may seem paradoxical, to fill the "vacuum"

which may arise in some cases as a result of the short working week.

I think I can put the position of the federal government fairly, or, at least, I can attempt to do so. It is that federal control in the welfare field is necessary in the national interest to promote equality among all Canadians. For this reason, Ottawa wishes to preserve its involvement in various income support and insurance programs, specifically, in its guaranteed income supplement, old age security, unemployment insurance, family allowances, youth allowances, Canada Pension Plan and veterans pension plans. The specific issue is legislative primacy in the field of family allowances. Ottawa's position on family allowances was articulated after negotiations with Quebec in a letter to Premier Bourassa, dated March 9, 1972. Basically, the plan proposed that the federal government set minimum standards, define income so as to correspond with the definition of the federal Revenue Department, and issue the cheques. The provinces would determine who should receive benefits and to what extent, subject to federally-established minimum rates. Where a recipient was to receive more under a provincial scheme the province could issue its own supplementary cheques or arrange with Ottawa to administer a single, combined payment. Quebec's reaction to the federal plan was not favourable. The question of legislative primacy—the issue most important to the province's future development of its own social policy—was settled in favour of the federal government.

To understand why Quebec clings so tenaciously to its demands for legislative primacy, it is essential to understand the province's conception and definition of social policy. In contrast to Ottawa's narrow definition, including only old age security and income supplement, unemployment insurance, family and youth allowances, and pension plans, Quebec's concept of social policy is a broad, global one. An income security plan similar to the entire group of existing federal plans forms only a base for a wide range of policies pertaining to manpower, health, social services, housing and leisure. Thus, where the federal definition ends, the provincial one only begins.

I suppose I could be accused of failing to contribute very much to this debate, because I am not prepared to say which position is the correct one. I suppose each possesses a measure of correctness; it is merely that the concepts are different. All I ask is that there should be sufficient flexibility in the approach of the Government of Canada toward a very different concept, an unEnglish concept of social development in Canada, if I can put it that way. The situation is perfectly well understood, I believe, by leaders of the Quebec government, but not so clearly understood by the Government of Canada and by many of us in this parliament who have other responsibilities.

What I am saying, really, is that we should continue to go forward together in the same direction and that we ought not to be terribly worried because our concepts are not exactly the same; indeed, we should be encouraged and excited by the fact that these difference exist. On the other hand, Quebec, or any other province, for that matter, which is anxious to pursue its own social policy should remember there must be an overrriding ability on the part of the federal government in the field of manpower, vocational training and so on, to discharge responsibilities which surely must be national in character if we are to maintain a country at all. I hope I shall not become tied up in this argument, but I welcome the opportunity to comment on the report of the Special Committee on the Constitution. Despite its shortcomings it is significant—

[Mr. Fairweather.]

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member but his time has expired.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, in my view the Creditiste party is to be commended for birnging to the attention of the House the constitutional problem which is facing Canada. I must say I feel myself in agreement in many ways with the hon. member for Fundy Royal (Mr. Fairweather), which is not remarkable, perhaps, since we were colleagues on the committee to which he referred. I intend to discuss the constitutional aspect of the motion and to leave to the hon. member for Winnipeg North (Mr. Orlikow) consideration of the financial aspects of federal-provincial arrangements, an extremely important aspect and one which is mentioned in the motion.

This debate gives me an opportunity to say that the government greeted the report of the Special Joint Committee of the Senate and of the House of Commons on the Constitution of Canada with resounding silence. I suggest this is not good enough. The Prime Minister (Mr. Trudeau) was elected partly because of his promise to build a strong united Canada and because of his reputation as an outstanding constitutional lawyer who could presumably deal with constitutional matters satisfactorily. He has now taken refuge behind a series of federal-provincial constitutional conferences culminating in the impasse that followed the Victoria conference when Mr. Bourassa refused to accept the federal formula of amendment to the constitution because of differences in respect of family allowances. The Prime Minister has in effect announced a policy of acceptance of the impasse which has resulted in total inactivity on the constitutional front. The learned and distinguished hon. member for Windsor-Walkerville (Mr. MacGuigan) who, as joint chairman of the committee, made a tremendous contribution to the report, has not moved concurrence in the report of that committee. Indeed, until today hardly a word has been said about the report in this House, although I understand there was a debate on it in the other place.

• (1610)

I suggest this is a rather extraordinary situation, because the report did indeed produce a remarkably useful consensus from all regions and all parties of Canada as well as from members of the Senate. The press, indeed, made it appear that the most striking feature of the report was the fact that several members filed minority or dissenting statements. In fact, the emphasis should have been just the other way about. What was remarkable was not the extent of the dissent, but the extent of agreement reached by the members of this committee on a host of difficult subjects profoundly affecting the future of Canada.

In a so-called minority report two members of the committee, the hon. member for Selkirk (Mr. Rowland) and

myself, did express disagreement on certain issues of the report, but we also expressed our opinion that the report formed a basis for settling urgent constitutional problems facing Canada. We further expressed the opinion that the report could contribute to the future unity of Canada. We had certain reservations on some subjects which I will mention later, but on the whole we found the report an excellent basis for further advance on the constitutional front.

What we find completely unsatisfactory is that the report should be ignored. There may have been some excuse for not dealing with it when an immediate election was in the air, but with the prospects of an election put off at least for some months, some statement of the government's intention in respect of a report of such profound importance ought to have been made. Perhaps some spokesman on the government side will take the opportunity afforded by this debate to state the government's attitude towards the report of the committee.

As the hon. member for Fundy-Royal said, the report contains some 105 recommendations. It comes out sharply and strongly in favour of a new constitution for Canada, although in actual fact it recommends accepting many of the existing arrangements in the present British North America Act. It is not a radical or revolutionary document, but it does propose important changes. We believe there are enough important changes to justify the view that substantial acceptance of the report would, in effect, give Canada a new and modern constitution and eliminate much of what is obsolete, inadequate and offensive in the present British North America Act.

We commend the report for its recommendation that basic and fundamental rights should be entrenched in the constitution. We have long argued that this is fundamental to a free society such as we have in Canada. We think the constitution should recognize, as the report suggests, the special position of native peoples in Canada. We also agree that actual constitutional changes in respect of native peoples should await full consultation with their own organizations, after they have completed the researches in which they are presently engaged.

With regard to the crucial question of the division of powers, we accept the basic proposal in the report that the powers of the provincial legislatures should be enlarged in all areas touching on social and cultural policy, and the powers of the federal Parliament should be clarified and enlarged with regard to important economic policies affecting Canada as a whole. I know such generalities are not easy to work out, but I think this is a useful guideline contained in the report.

The proposal in the report with regard to income support measures seems to me to be ingenious. It proposes to give control over the details and the distribution of these moneys provided as income support to the provincial level, while retaining the federal government's own role of control of the economic aspects.

We particularly welcome in the report the clarification of the paramount federal power in respect of air and water pollution, or the suggestion that there should be clarification. In our view this is an urgent matter and it may well be that even if there is difficulty in getting provincial agreement to some of the recommendations in the report, the provinces generally would welcome these recommendations so as to establish basic responsibility for national standards to prevent air and water pollution. In our view, the battle against pollution clearly requires national standards to be set and maintained even though the provinces and municipalities may have an important role to play.

The report deals with the issue of self-determination. It does not propose a right of secession to be written into the constitution, but it does declare that if the citizens of a part of Canada at some time democratically declare themselves in favour of a political arrangement which is contrary to the continuation of present political structure, this disagreement should be resolved by political negotiation and not by the use of military or other coercive force. This is an extremely important announcement. I doubt if it has ever been enunciated officially before by anybody in Canada. It deserves full debate and we should certainly like to know where the government stands on it. I may say that the members of the committee unanimously endorsed the full statement which appears as recommendation 8:

> We reaffirm our conviction that all of the peoples of Canada can achieve their aspirations more effectively within a federal system, and we believe Canadians should strive to maintain such a system.

I believe that chapter on self-determination should be historical, and it seems odd to me it should pass by with practically no notice in this House.

There is no doubt that the issue of self-determination has an important psychological effect in the province of Quebec. We do not think the issue can just be ignored. We accept in this party the proposition that the unity of Canada must be based on consent and not on military coercion.

There are a few important points on which the hon. member for Selkirk and myself have expressed our disagreement with the report. The report pays lip service to the need for flexibility in the constitution, but it rejects what appears to us to be the most useful method of providing such flexibility, namely the right of Parliament to delegate specific powers to provincial legislatures and the right of provincial legislatures to delegate specific legislative powers to the federal Parliament. This is a technical matter but it is of crucial importance. There are many powers, of course, both federal and provincial in the present British North America Act which cannot and should not be delegated. Delegation is a matter of consent, and unless the federal Parliament and the provincial legislatures consent to the delegation it cannot take effect. There may well be cases, however, where some provinces may wish to delegate powers to the federal government while others would not. We do not think this should be prohibited by the constitution, but in fact that it should be explicitly permitted by the constitution. In our view, failure to deal with this issue is the failure of imagination and the failure to provide the flexibility which is clearly desirable.

A substantial subject of discussion in the report was the detailed proposals to change the powers and the method of selection of the Senate. The report actually proposes to increase the number of Senate members. We made our view very clear, and it is not exactly original, so I will not enlarge on it. Our view is that the Senate should be

abolished. Our view is that a non-elected legislative assembly is an anomaly in a modern democracy. The Canadian federal system provides ample checks and balances. A Senate, revised with regard to its method of selection, could turn out to be a source of legislative deadlock, and that would not help the government of this country at all.

• (1620)

We find the recommendation with regard to income control quite inadequate. The recommendation proposes that in cases of national emergency, as defined by the Parliament of Canada, the provinces should delegate to the federal Parliament all additional powers necessary to control wages, prices and other forms of income including rent, dividends and profits. It is my view that the battle against inflation is essentially an economic national and federal concern, and one that should not be exercised only when a national emergency exists, nor should it be by delegation from the provinces. The report has recommended greater centralization of the powers that have important economic effects at the national level. Who can deny that the inflationary spiral has important economic effects at the national level? How and when this power of control over income should be exercised is a subject which I do not think is relevant to this debate. But from a constitutional point of view, Parliament and the provincial legislatures should have concurrent powers in respect of control over inflation and particularly in respect to control over incomes, and the federal power should be paramount.

There are other details in the report on which we will express, and on appropriate occasions will continue to express, our reservations. In particular, we are opposed to recommendation number 17 by what the individual person would be constitutionally protected against the arbitrary seizure of his property, except for the public good and for just compensation. History has demonstrated that similar efforts to protect property constitutionally have been used by courts to frustrate legislative supremacy in respect of social questions. In our view, the Bill of Rights should be confined to human rights and should not attempt to protect property rights. The report, in recommendation number 21, proposes a somewhat vague and general limitation or exception to the rights and freedoms to be recognized in the Bill of Rights. We regard this limitation as unnecessary, and believe that it would prevent the courts from giving full and adequate effect to the provisions of the Bill of Rights itself.

However, despite our reservations we have, as I have already mentioned, found much to commend in the report of the joint committee. As the joint committee points out, its report was the result of extensive research, lengthy public hearings in all parts of Canada and the determined effort by the committee members to grapple with the constitutional problems of Canada. I share with the hon. member for Fundy-Royal the pleasure and pride of having been a part of that committee, the members of which worked together very well. I say it would be a tragedy if the report were to be ignored. I ask the government to take this opportunity to announce its intention with regard to this important report.

[Mr. Brewin.]

Hon. P. M. Mahoney (Minister of State): Mr. Speaker, before dealing with the motion I should like to accept, for a moment, the invitation, to discuss the over-all constitutional aspect. Certainly, the government does recognize the very valuable work and very valuable contribution made by the Special Joint Committee of the Senate and House of Commons on the Constitution of Canada, and the work of the members of all parties of both chambers on that committee. The federal government's position on this matter is that it is ready and willing to sit down with the provincial governments the moment there is something substantial forthcoming to discuss. I am sure we were as disappointed as anyone with the failure of the Victoria Charter to gain the support of all governments, something which had seemed so near a year ago. The initiative for the last round of federal-provincial constitutional conferences, of course, came from the provincial level, the impetus being provided by the Federation for Tomorrow Conference convened by the then Premier of Ontario, John Robarts.

It would appear appropriate that the initiative for the next series of meetings, if they are to be held, should come again from the provincial level because, certainly the federal government has done everything it could reasonably be expected to do in order to achieve agreement and has achieved agreement with a majority of provinces. However, it has seen that agreement eroded. The government of Saskatchewan did not, of course, concur in the Victoria Charter because of a change of government at that time and has been silent on the matter since then. The government of Quebec rejected the charter. Regrettably the government of Alberta, since a change of government there, appears to have rejected it and to have reversed a commitment made by the previous government there.

Speaking on behalf of the government in respect of the motion before us, I must object strongly to all aspects of the proposition contained in this motion. To begin with, I do not accept that the present state of federal-provincial relations is bad or that it has deteriorated. Rather it is one where governments are in close touch with each other on a wide range of matters, marked by vigorous efforts to co-ordinate actions and policies in an increasingly complex and inter-related world. Consultation and co-operation—and I will demonstrate that this is the rule rather than the exception—is what we are talking about. At the same time it is seen by the federal government and by most provincial governments that precisely what we are talking about is consultation and co-operation and not abdication of constitutional rights or responsibilities. The right to consult is not construed by either the federal or most provincial governments as a right of veto.

I should like to furnish hon. members with quotations from provincial budget speeches for the current year referring to examples of this co-operation. These extracts come from two provinces, one with a Progressive Conservative government and one with a New Democratic government. First, I quote from the budget statement of March 28, 1972 by the Hon. W. Darcy McKeough, Treasurer of the Province of Ontario. On page 12 of this document, we find the following:

> The Ontario government will introduce this year a property tax credit plan which relates the property tax burden borne by each taxpayer in Ontario to his ability to pay, as determined under the

personal income tax system. For three years Ontario has pressed the federal government to incorporate a credit against property taxes within the basic income tax system. Now, the federal government has agreed to administer this plan beginning with the 1972 taxation year, and the Ontario government will finance it for the benefit of Ontario taxpayers. For this positive decision I sincerely thank the Minister of Finance. I would also like to commend the Department of National Revenue which worked closely with us to iron out the administrative and operational details of our property tax credit plan. This is an excellent example of how two levels of government can work together harmoniously.

Secondly, may I turn to the 1972 budget address of the Hon. Saul Cherniack, Minister of Finance of the Province of Manitoba. On page 18 of the published text of his address I find the following statement made with reference to the Manitoba education property tax plan:

We have received excellent co-operation from the federal government and I want to express my appreciation to the former and the present federal Ministers of Finance, to their staffs, and to the Minister and staff of the Department of National Revenue. This is an example of good federal-provincial co-operation which hopefully will continue and grow.

Mr. Speaker, these are only two examples of the numerous ways in which the governments of Canada and the provinces are co-operating with each other. I might give a brief, quantitative analysis to indicate the extent of this co-operation. In 1957, there were five committees of ministers between the federal and provincial governments, that is first ministers or other ministers and of their federal and provincial counterparts. There were 59 federal-provincial committees of officials, for a total of 64 ongoing groups of committees that were meeting on either an ad hoc or on a regular basis. By 1967, the number of ministerial committees had increased to 14, the number of official committees to 105, for a total of 119. By 1970, the number of committees of joint federal-provincial ministers had increased to 18; there were over 200 ongoing federal-provincial committees for a total of well over 220 ongoing committees. In 1967, there was a total of 13 ministerial meetings between federal and provincial officials, that is formal meetings of first ministers and other ministers, and 18 meetings of deputy ministers, for a total of 31. In 1971, there were 20 formal ministerial meetings and 22 deputy ministerial meetings. So in four years the meetings increased from 31 to 42, just as standing committee numbers had increased from 64 in 1957 to 119 in 1967, to over 220 by 1970.

• (1630)

Another method of federal-provincial consultation is, of course, the bilateral consultation in which the federal ministers and their officials consult with their counterparts in all or a majority of the provinces, depending on the interest in important individual subjects. I will give a brief resume of the more conspicuous of these over the last three or four years. The former Minister of Justice visited all provincial attorneys general and justice ministers during the constitutional review. He visited all provincial justice ministers or attorneys general on the subject of the Official Languages Act before it was carried through the House of Commons. The former Minister of Consumer and Corporate Affairs during that period had discussed security regulations with appropriate provincial ministers. The former Minister of Labour discussed the unemployment insurance legislation with all provincial governments before it was brought forward in the House.

The then Acting Minister of Energy, Mines and Resources discussed the Canada Water Act with the appropriate provincial ministers. The Minister of the Environment (Mr. Davis) discussed the Clean Air Act similarly. The Secretary of State (Mr. Pelletier) on separate occasions discussed with the responsible provincial ministers the financing of post secondary education, telecommunications, and the summer employment programs introduced by the government so successfully. The Minister of State for Urban Affairs (Mr. Basford) discussed the housing and urban renewal legislation. The President of the Treasury Board (Mr. Drury) discussed the costs of health and post secondary education programs with the appropriate provincial ministers. The Minister of Agriculture (Mr. Olson) discussed with the provincial agricultural ministers the agriculture stabilization legislation, and the Minister of National Revenue (Mr. Gray) has just completed a round of meetings with provincial cabinet ministers on the subject of the takeover review legislation.

These examples are in addition to numerous private meetings between the Prime Minister (Mr. Trudeau) and provincial first ministers as they visit Ottawa or between federal ministers and individual provincial ministers on matters of particular interest and concern to them. There are, of course, differences between governments, but it would be an extraordinary thing if this were not the case, having regard to the numerous ways in which the actions of one government can affect the others. The important thing is not that there are differences but that the governments are continually striving to settle these differences, that they are doing so in a spirit of goodwill and co-operation, and that they are succeeding in so many areas.

Mr. Speaker, I must assert that the federal government has not displayed intransigent attitudes or policies; rather, it has explicitly recognized that many of its actions do affect the provinces and has repeatedly sought their views before implementing its own proposals. I could cite many examples where we have consulted with the provinces and have modified legislation in order to take account of the views which we have received from the provinces. Perhaps the most important example in recent years has been the federal income tax reform legislation enacted late in 1971. In this case, as hon. members know, many of the changes which were incorporated in the final legislation were made to meet criticisms received from the provinces at numerous conferences relating to this subject over a span of some years.

Another important illustration is provided by the new federal-provincial fiscal arrangements legislation which was enacted by Parliament earlier this year following nearly two years of discussions with the provinces. These discussions were undertaken at various levels; with ministers looking at broad policies, senior officials examining such matters in depth, and other officials—in working groups or subcommittees—undertaking intensive studies of particular areas.

I should note that one of the problems which inevitably tends to arise in federal-provincial discussions is that different provinces have differing interests and hence frequently opposing views. This is natural in any federa-

tion as broad and diverse as the Canadian one. The federal program for equalizing provincial revenues provides one example of this type of situation. The federal government has found that most provinces try to look at matters such as this objectively, including those that derive direct benefits and those which do not. Nevertheless, differing viewpoints will emerge and it falls to the federal government to try to reconcile these and to set a course which will accord as closely as possible with the national interest. At times, this task of reconciliation of the interests of divergent regions can be a difficult one, and any national government which approached this in a spirit of intransigence would be foolish indeed.

Mr. Speaker, I should touch upon the reference in the resolution to unilateral decisions. In one sense, of course, decisions are taken unilaterally. Federal policies are implemented pursuant to federal statutes and these are enacted by the Canadian Parliament. Is this what this resolution means by unilateral? If so, it is being suggested that federal legislation should be enacted by some body other than Parliament? Or is it being suggested that Members of Parliament ignore regional needs when they vote upon an issue? If these viewpoints are being put forward, I must emphatically reject them.

Perhaps, however, the resolution is intended to imply that the federal government is taking unilateral decisions and then somehow forcing these through Parliament. Mr. Speaker, I cannot accept this interpretation. As I have just said, where provinces are affected by federal legislation, there is invariably an opportunity for them to make their views known. Usually this opportunity is provided both before and after legislation is introduced in Parliament. This government will continue to provide these opportunities. This government will not take decisions without ascertaining what provincial views are or without considering how they may best be taken into account. This government will never ignore the views or the needs of the provinces.

Finally, Mr. Speaker, I come to the allegation that the federal government is not making enough funds available to the provinces. This is an argument which we frequently hear in Canada. It arises, no doubt, because of the rapid increase in needs for many of the services which are provided by provincial and municipal governments in Canada. Thus during the post war era there have been greatly expanded needs for elementary, secondary and post secondary education, for hospitals, for medical services, for pollution control and various other services which fall primarily to the provinces.

The provinces and municipalities have, in fact, enormously expanded their expenditures to meet these needs. Thus total provincial-municipal expenditures have increased from approximately $2.3 billion in 1951 to $5.4 billion in 1961 to $18.1 billion in 1971. At the same time, their share of total government expenditures has expanded markedly. On a national accounts basis, this share was just slightly over 40 per cent in 1951, increased to nearly 50 per cent in 1961 and reached approximately 60 per cent by 1971. The federal government has not stood in the way of the provinces and municipalities when they looked for funds to finance these rapidly growing expenditures. Rather the federal government has moved on a broad front to provide help. This has been done in many ways. First, the federal government has made tax room available to the provinces by repeated cuts in its own taxes during the past two decades. Thus during the postwar period the reduction in federal personal income tax to make room for the provinces was successively increased from a low of 5 per cent up to 28 per cent by 1967. This reduction was built into the reformed income tax system which went into effect this year. However, the provinces have been free for some years to impose personal income taxes at whatever rates they wished, and not only have we collected this fast growing tax for them but we have done so free of any charge. Other federal taxes have been reduced as well. The reduction in corporation income tax has been doubled from 5 per cent to 10 per cent, and the federal government has terminated its taxes in the field of death duties.

[Mr. Mahoney.]

• (1640)

I should like to refer to the U.S. President's Advisory Committee on Intergovernmental Relations which, in a report to the President of the United States just last year, said that Canada's "tax sharing strengthens the fiscal capacity of the provinces within the Canadian federation" and that it has "gone a long way in reducing the general revenue imbalance."

Most of the remarkable gains chalked up by the provinces during the 1950's and 1960's can be attributed to the willingness of the federal policymakers to negotiate with provincial leadership, and the decision to share their prime revenue source with the provinces. Much of the expansion in provincial-municipal revenues has occurred during the period since 1963 when the Pearson government took office in Ottawa. In 1963 provincial-municipal revenues from taxation were $4.8 billion. By 1971 they had increased to $13 billion. That is a remarkable increase, and much greater than that experienced by the federal government itself.

Apart from tax reductions and tax collection services, the federal government has helped the provinces and municipalities through very large increases in transfer payments. These transfers have been of various kinds. Large sums have been transferred under shared cost programs. These programs have enabled the federal government to share approximately one half of the cost of financing those fields where expenditures have been escalating most rapidly, notably including post-secondary education, hospitals, medical care insurance and welfare. Many of these programs were started since 1963, including the Canada Assistance Plan, the post-secondary education program, and medical care insurance. In addition to these shared cost programs there have been various special expenditures or loan programs relating to pollution control, betterment of the environment, housing, and regional economic expansion. Many of these programs were started just in the past few years.

Finally, Mr. Speaker, there have been large increases in unconditional transfers, particularly in equalization payments to provinces with below average tax capacity. The equalization program has provided a financial underpinning to seven provinces which are presently in this position and has enabled these provinces to provide their citizens with a level of expenditures closely similar to that

of the higher income provinces at reasonably comparable rates of taxation. Expenditures under this program will be approximately $1.1 billion in the present fiscal year and will likely attain $1.5 billion by 1976-77, the last year of the current five year fiscal arrangements with the provinces.

Early this session Parliament passed this new legislation which establishes the over-all framework of fiscal relations between the federal and provincial governments over the next five year period. That act deals with a number of important matters, of which three are particularly relevant in this context. First, it is the basis for income tax sharing between the federal and provincial governments. Most importantly, it provides a basis for these two levels of government to co-ordinate their use of the personal income tax and corporation income tax fields without fixing limits or controls over the rates of tax which each level may impose, and it does this within a unified national tax system. Second, because any given level of taxation provides a greater fiscal yield in some provinces than others, the act provides for equalization payments from the federal government to provinces whose per capita revenue raising capacity is below that of the national average. Equalization payments were started specifically in 1957 and they have been progressively broadened since then. They now represent over 5 per cent of all federal revenues.

From the point of view of the receiving provinces the importance of equalization payments is evident when you know that for three provinces in 1971-72 equalization transfers were equal to between 13 per cent and 16 per cent of gross revenues. For two others the comparable figure was more than 33 per cent, and for the two poorest provinces equalization transfers were equal to 55 per cent and 66 per cent of revenues. Third, the legislation has a provision under which the federal government guarantees to make a grant to any province whose revenues fall below 100 per cent of those received in the immediately preceding year except to the extent that such a shortfall is caused by a reduction in provincial tax rates. While we hope that this will never be operative it is an important assurance against a sudden slump in revenues which might occur in a particular province. Between 1957 and 1969, provincial shares of total governmental revenue collections rose from 18 per cent to 33 per cent, whereas the federal proportion fell from 69 per cent to 52 per cent.

In addition, the federal government co-operates with the provinces in several shared cost programs, of which the largest are in the fields of health, welfare and post-secondary education. Others will deal with health and welfare, but in the case of post-secondary education the federal government transfers an amount generally equal to 50 per cent of virtually all post-secondary education operating expenditures. Last year the transfer totalled over $870 million. This year it is expected that it will total almost $1 billion. On a per capita basis, the amount transferred varies from one province to another, but the national average last year was $44 per capita.

I should again refer hon. members to the record of this government during the 1963 to 1971 period. In 1963, when the government assumed office, total transfers to the provinces and municipalities were running at a level of $1,169 million. By 1968 this had doubled to $2,452 million, and by 1971 it had nearly doubled again to $4,348 million. Mr. Speaker, does this suggest that this federal government has neglected the provinces? Does it suggest that we are insensitive to the well being and needs of their governments and of their populations?

I could cite other facts and make other points at some length. However, that is not necessary. The motion which is before us is barren and lacking in substance. It does not deserve the support of this House. I urge all hon. members to vote against it.

Mr. Melvin McQuaid (Cardigan): Mr. Speaker, my colleague, the hon. member for Fundy-Royal (Mr. Fairweather), has dealt quite exhaustively with the constitutional aspects of this motion. I propose to confine my remarks to the financial aspects so far as the provinces are concerned. I am impressed with that part of the motion which reads that the House regrets the government's:

> —refusal to meet legitimate needs of Canadian provinces, mainly through not making available to them the funds required for development, economic expansion and welfare of the population.

There is a reference to the refusal of the government to meet the legitimate needs of Canadian provinces. I am inclined to support the resolution because I come from one of the provinces where the need is great, a province that actually does need help from the federal government. The mover of this motion realizes that action must be taken to reduce the growing gap between the rich and the poor provinces of Canada.

• (1650)

I should like to take this opportunity to place on the record, as clearly and succinctly as I can, the severe economic situation facing the government and the people of my province. I do so in the hope that it may foster a desire on the part of the government of Canada to do something to relieve a very distressing problem immediately. I think it is generally realized that each region of this country must be accepted as an integral part of Canada and each region should be developed according to its special needs and its potential. This matter of reducing the gap between the rich and the poor provinces is a national problem and the major responsibility for solving it must rest with the federal government. That idea has been recognized by the present Secretary of State for External Affairs (Mr. Sharp) who, in a speech on September 14, 1966, made the following statement:

> Where circumstances—whether natural or man-made—have channelled a larger-than-average share of the nation's wealth into certain sections of the country, there should be a redistribution of that wealth so that all provinces are able to provide to their citizens a reasonably comparable level of basic services, without resorting to unduly burdensome levels of taxation.

I think that statement sets out the situation very clearly and conveys the idea that there is a responsibility on the federal government to see that the poorer provinces of Canada are given a chance to maintain a standard of living for their citizens comparable to that of other provinces which are better off. This principle was also recognized by the Rowell-Sirois Commission which in 1940 recommended that:

The national adjustment grants be subject to review by an independent advisory commission every five years, and that this commission would recommend to the dominion an increase in the adjustment grant whenever a provincial government established that it could not supply Canadian average standards of service and balance its budget without taxation (provincial and municipal) appreciably exceeding the national average in relation to income.

I think these two statements set out very clearly the position in which the poorer provinces of Canada find themselves, and the responsibility of the federal government to help those provinces not in a position to help themselves. If that famous promise we heard prior to the last election of a just society is ever going to be anything more than a flimsy and meaningless promise, every citizen must have the right, first of all, to acquire an adequate income and, second, to enjoy those essential public services available in the richer provinces of this country. The federal government must be made to realize that the major burden of financing regional growth problems is its responsibility. Why must it be the federal government's responsibility? It is primarily because money is necessary to do this job and, unfortunately, the poorer provinces just do not have the money nor do they have the opportunity to raise it through taxation.

The hon. member for Calgary South (Mr. Mahoney) has pointed out some of the grants that are made to the provinces. We recognize and appreciate them, but let us not lose sight of the fact that the federal government alone has access to the growth fields of taxation. The federal government imposes income tax; that is a growth field of taxation because it grows as the incomes of the people grow. The federal government had the right to succession duties until it abandoned that right, whereas the provinces and the municipalities within the provinces are limited to personal and real property taxes. These are not real growth fields, as the amount of money that can be derived from them is very limited. Since the federal government has access to growth fields of taxation, it should be providing the poorer provinces with the money required to ensure their citizens an adequate standard of living. In my province the average annual per capital income is away below the national average, so it is impossible to raise through taxation, the amount of money required to provide, in many cases, even the essential services of government. The unemployment rate is the second highest of any province in Canada.

A study of capital investment within the province will indicate its poor financial situation. I do not have up to date figures, but those I have show that from 1966 to 1969 capital investment decreased. In 1966, new investment stood at $56.9 million; in 1967, it dropped to $45.5 million, almost 20 per cent; in 1968, it dropped again to $43.9 million, a 3 per cent drop and in 1969, it dropped by 12 per cent. This indicates a steady decrease in capital investment within the province. Our business establishments are small and 75 per cent of firms have sales of less than half a million dollars a year. Perhaps the most important aspect of all, Mr. Speaker, is the fact that many of our young people who are just entering the productive years of their lives are leaving the province because they cannot find jobs. When the province entered Confederation in 1873 the population was 97,000 and today, 99 years later, it

is 110,000. That is an increase of 13,000 people in 99 years or roughly 130 people per year.

Another very important fact is that of this population of 110,000, 13,347 or 17.93 per cent are 65 years of age and over and that is the highest percentage in any province in Canada. I may suggest, Mr. Speaker, that this group is beyond the productive years of their lives while young men and women are leaving in their most productive years. We rear and educate them at a cost of $23,000 per child. This is the figure issued by Statistics Canada. Just as they reach the age where they are able to contribute to the economy they have to leave for some other province or some other country in order to make a living. Our population is therefore, unfortunately, made up of a disproportionate percentage of the very young and the very old. We know that the very young and the very old, rather than contributing to the public treasury, are in some cases beneficiaries of government programs and are therefore drawing from the Treasury. This is one of the reasons we cannot raise sufficient money through the medium of taxation to provide our people with a reasonable standard of living.

• (1700)

I say that the gap between personal incomes earned in my province and those earned in Canada as a whole must be narrowed, and this can only be accomplished by the generation of income within my region. We must provide some means for generating income within the region itself. The logical way to do this, of course, is by bringing in industry. If industry is to settle in our province, it must be encouraged to do so by the federal government by way of subsidies and monetary assistance of that nature. Unfortunately, we are so situated that practically all the raw materials our industries require must be brought in at considerable cost. The finished product must be shipped out again at considerable cost. For that reason, industry in my province ordinarily has not been able to compete with industry located in the other parts of Canada where, possibly, raw material is available and from where the cost of shipping to the markets of the world is not as great as it is from my own province.

I know and appreciate that the federal government has given a considerable amount of assistance to my province through its famous development plan. That plan was traded for the construction of the causeway. It was originally planned that there would be a connecting link between Prince Edward Island and the mainland. This government saw fit to abandon that idea and it gave us in return its famous development plan. After careful analysis I can only conclude that the federal share of new money, and I am speaking about new money now, that is to be injected into the economy of our province by virtue of the plan is to be practically nil. The plan involves $725 million to be spent over a 15-year period. At least, the agreement calls for $725 million to be spent over a 15-year period. Of that $725 million, only $225 million is to be contributed by the government of Canada; that represents $225 million over a 15-year period, Mr. Speaker. I suggest that we should look at that $225 million, analyze what that money represents and see what is actually involved in this plan.

Of that $225 million, Mr. Speaker, $37 million is a loan from the federal government to the province, and that loan is repayable both as to principle and interest. That money must be deducted from the $225 million, which means that the federal government will be contributing $188 million. Prior to signing the agreement in 1968, Ottawa was contributing to the province by way of joint federal-provincial programs a total of $8.5 million per year. In any event, we would have obtained that $8.5 million a year. If Ottawa were to continue contributing $8.5 million per year, and presumably that contribution would have continued, then Ottawa, at the end of that time, would have contributed apart from the plan altogether 15 times $8.5 million, or $127.5 million. Mr. Speaker, that $127.5 million cannot be considered as new money, because it would have come to us in any event. We were getting those payments even before the plan was signed. So, from $188 million of new money we ought to deduct, I maintain, that $127.5 million. This reduces the federal government's contribution to $60.5 million.

We are told that approximately 400 people will be employed to administer the plan. Many of these have already been hired, at salaries ranging between $15,000 and $25,000 per year. Let us be conservative about the salaries these people will be paid and average those salaries at $10,000 per year. If 400 people are to be employed, according to the figures the government has given, and each of them will earn, say, $10,000 a year, over a 15-year period their salaries will amount to $60 million. So, we are actually reduced to $500,000 of new money that Ottawa will use in the implementation of the plan. The rest of the money, Mr. Speaker, is to be provided by the provincial government. I say very sincerely that the provincial government just will not be able to provide it. Where are we to get $500 million, the amount the province needs to put up if the plan is to be put into operation?

Today, our population stands at 110,000 people. The province's direct debt now is $110 million. That represents a direct debt of $1,000 for every man, woman and child residing in that province. Servicing this debt is costing us over $11 million per year. So, the first thing the provincial government must do, before implementing the development plan and before raising the $500 million it will need to raise, is pay $11 million to service the province's present debt. Mr. Speaker, our people just cannot afford to do this because, as I said before, opportunities for employment are not available to them. I seriously suggest if the government wants to do something truly beneficial for our province and other provinces which may be in a similar situation, it must encourage industry to come to our province and provide employment opportunities for our people. That is what we want, Mr. Speaker. If the federal government were to do this, it would be truly doing something to improve federal-provincial relations.

• (1710)

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I consider it my duty to support today the motion which reads as follows:

That this House regrets the government's responsibility for the deterioration of federal-provincial relations as a result of its uncompromising attitudes and policies, its unilateral decisions and its refusal to meet legitimate needs of Canadian provinces, mainly through not making available to them the funds required for development, economic expansion and welfare of the population.

Mr. Speaker, here is a motion that affects a basic problem and a great truth. Canadian federalism has suffered great setbacks under the government headed by the right hon. Prime Minister (Mr. Trudeau). As a matter of fact, since he came to power four years ago, this government has continually trampled on a number of principles, namely co-operation, good will, consultation, that are absolutely necessary to insure sound and dynamic relationships between the Canadian confederation partners.

For example, let us take the 21st of June to show how to what extent these relations have deteriorated. In fact it is a sad picture given to the public reading these newspapers. In *Le Devoir*'s edition of June 21, it was stated:

"The longshoremen cannot expect anything from Cournoyer", said Mr. Trudeau.

What interest would the Prime Minister of Canada have in "belittling", accusing and besmirching a Quebec minister belonging to his own party? Are such ridiculous accusations liable to promote good relations? Certainly not.

What qualifications does the Prime Minister of Canada have that allow him to assess the qualifications of the provincial minister?

Moreover, Quebec is not the only target of such charges. Let us remember what the Premier of British Columbia said. I will refrain from repeating such coarse words, which are not likely to promote good relations between the partners in our Canadian Confederation.

In *Montréal-Matin*'s edition of June 21, an article signed by Joseph Bourdon, and another one on a different subject by a Mr. Clément Brown, illustrate the problem brought on by an uncompromising policy and unilateral decisions which disregard priorities and the administration of the provinces.

The *Montréal-Matin* issue of the same date carried an article entitled: "Pour reprendre le débat constitutionnel, la position du Québec devra être claire." (*In order to resume the constitutional debate, Quebec's position will have to be stated clearly*). In the mind of the right hon. Prime Minister, a clear position means perhaps one entirely in agreement with what he says, if not no dialogue is possible.

Some may say that it is not so, but I will remind them of the many unsuccessful constitutional conferences and especially of the last one in Victoria, which amounted simply to an exchange of threats. *Le Devoir* of the 21st of June gives details of a report by the Canadian Committee of the International Conference on Welfare, in which it is stated plainly that Canada's welfare policy is confusing because there is no co-ordination between the different levels of government concerning their social security programmes.

Page one carries an article on social security entitled: Marchand seeks to induce Munro and Castonguay to resume dialogue.

Good for Mr. Marchand!

But who broke off the dialogue? How? Why? In what context.

The Prime Minister taxed Mr. Cournoyer with inefficiency and in the event of a dispute between him and his provincial opposite number, for the sake of cutting a good figure, another minister will be sent to mend the fences.

Mr. Speaker, that is a woeful picture. If such conflicts do exist, it is not because federalism is not practicable, but merely because it is being administered by petty politicians, intoxicated with power, financial or otherwise, who force their paltry views on the community, without consultation.

Briefly, Ottawa is a rich centralizer and the provinces, Quebec among them, are poor autonomists.

The conflict has become particularly intense over the past decade. And it is always waged on the financial field.

The federal government never says to the provinces that he wants to invade the fields that come under their jurisdiction: ownership, civil rights, education, social security. It said that it is was purely a financial matter or rather a fiscal matter for nowadays, the government and the treasury are almost synonymous in our country. But if you hold the purse-string, you control everything.

In this fight, Mr. Speaker, which divides unwitting federal centralists and blind provincial autonomists who is the winner? Doubtless it is the central government, especially for the past four years under the Trudeau administration which moreover takes its own decisions, be it in the fields of taxation, social security, budget policy, etc. without any consultations with the Canadian provinces.

The federal government never wins, but it keeps scoring. The autonomists, on the other hand, never yield, but still they keep losing ground. At all events, the gap is widening between those two levels of government; federalism is being questioned and this is unfortunate.

Anyhow, Mr. Speaker, Canadians are concerned over this situation and are losing confidence in these theories. They mistrust both systems because they also have to cope with a financial problem. The constitution, red carpet wrangling or flies are not what people are living on. What they want is to live in peace and security within a progressive social system.

Mr. Speaker, I ask this question: Why are the many constitutional conferences never getting us anywhere? The answer is quite simple: Ottawa, which is quite rich, arrives loaded with money, while provinces are short of cash. It is easy to discuss at a conference when one is rich and loaded with money, but one is necessarily short of cash when one is poor.

Indeed, successive invasions have enriched the invader and improverished the provinces and this resulted in huge regional disparities which divide Canada as a puzzle. And it is really a problem for the government. It has set up the Department of Regional Economic Expansion with a view to eliminating those disparities. However today, after having made attempts and spent hundreds of million for several months, we are still in the same predicament. The Prime Minister said so recently in Victoriaville as well as the Minister of Economic Regional Expansion (Mr. Marchand) in Sherbrooke.

The entire country, Mr. Speaker, should now be called a designated area. In short, everybody and all levels of

government are in debt and in a financial strait jacket. If it were untrue, there would not be any Department of Regional Economic Expansion.

• (1720)

The existence alone of such a department shows that there are financial problems at all levels of government from coast to coast.

Mr. Speaker, the provinces, the municipalities and the federal government—the great indebted and stubborn one, which is about to be crushed under its public debt—are held in check by that financial strait-jacket. That is why the federal government, like a monster, levies more and more taxes, further restricting provincial spending powers, which accounts for the financial unrest where the provinces find themselves. The Prime Minister of Canada himself, who is at the head of the most centralizing and most indebted government this country has known and who keeps on adding to his own arrogance by his die-hard attitude, is himself a victim of that strait-jacket.

What is the result of that? Mr. Trudeau—I say that because I firmly believe it—is the best ally of the enemies of Canada's unity and prosperity.

Mr. Speaker: Order. I must remind the hon. member that whenever he is referring to a minister or to the Prime Minister, he must identify the latter by mentioning the official title instead of the person's name.

Mr. Fortin: I will not refer to that name anymore, Mr. Speaker, because I know it is a bad word for Canadians.

If they were rich, Quebec or the other provinces could approach the federal government or any interlocutor with a triumphal smile. It is in the field of artificial finance which is controlled by high finance, that centralization appears and develops. A people is born and can live where the financial field corresponds to facts. That is why we specifically blame this government for not having made available to the provinces enough credits to insure the development, economic growth and welfare of the people.

What is the basic problem in all provinces? Money! What is dealt with at all those federal-provincial or interprovincial conferences? The financial problem. What are we waiting for before checking the financial powers and having them serve the equal partners in Confederation?

In a word, we must suppress all causes of conflict in order to have Canada reach real social peace. Since the conflict lies at the taxation level, since it is through taxes that centralists get to their victims and create a situation that all provinces consider unacceptable, why not simply do away with that antiquated method the governments use to finance their administrations?

Instead of emptying the precariously lined purses of the citizens, why not simply draw credits from the huge production and resource potential of Canada?

I cannot build a road or a bridge, or implement this programme because Ottawa has monopolized all hands, materials and skills. Such a stupid statement is never heard, but people always say that such or such a province is delaying the implementation of such or such a project or programme because it has no money.

One never hears a shoe manufacturer say that he could not produce shoes because Ottawa or Quebec ate all available leather. However, the manufacturers say that they can no longer operate their plants because the products do not sell, because the citizens are short of money.

Therefore, let us give the federal government and the provinces the necessary power to finance themselves by means of new credits bases on the real Canadian production, in accordance with the needs of the Canadian people, whatever their language or their geographical location. This is the only solution. Why not leave Ottawa, Quebec and all other provinces carry out their administration within a clever system where cooperation and dialogue will replace arrogance and imposed muteness, and instruct the production system to provide the things that fall within their competence?

Unless we simply wish to see Canada destroyed some day we will indeed have to accept that solution. One of these days the partners in Confederation will have to get together and discuss their problems, that is their financial problems, instead of always hiding and by-passing it.

It will indeed be necessary for our leaders, at all levels, to decide jointly to surrender Canada to Canadians, in the mutual respect of their interests.

It will indeed be necessary for our leaders to find financial solutions to their financial problems, for they cannot go on indefinitely as they are doing now. There is a limit which cannot be exceeded: the taxpayers' ability to pay.

Mr. Speaker, there is no solution other than the interest-free financing formula as advocated by the Social Credit Party of Canada for dealing with the problem of government financing.

In any event, there is a limit to arrogance, and indeed exploitation. When there no longer is any dialogue, there is obviously a danger of rupture. Positive action becomes imperative.

Mr. Speaker, I would naturally have many more things to say but my time is limited. If we had a creditiste government in Ottawa, they would see to it that there be a balance between the issues of money or credit and the goods that exist to meet the needs. Instead of using these credit issues, they would distribute them in one lump sum to the provincial governments on the basis of their respective population leaving them free to spend them as they see fit within their own jurisdictions, according to their respective priorities.

Well, Mr. Speaker, we will soon have that creditiste government!

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, some time ago I saw an amusing cartoon showing a man in a rocking chair looking at television and his wife tapping him on the shoulder, saying "Have you recovered enough from the seven o'clock news to listen to the eleven o'clock news?"

From listening to the speeches of our friends here in the House and outside the House, you would think we are living in an unthinkable country where there is no progress, where things are worse today than they ever were. Really, it would seem to be economic and social slavery. To hear them, the situation is really tragic. They are what I call professional scarecrows, whose only function is frightening others, convinced that in so doing they are attracting them.

Mr. Valade: Cournoyer, Bourassa and Castonguay?

Mr. Marchand (Langelier): Yes.

Problems are systematically created, and minor incidents blown up to cause unrest.

In a sound federalist system, Mr. Speaker, there definitely is friction between the different parties. That does not apply only to the Canadian confederation. I was involved in a union movement before coming to the House and there was friction between unions and central councils, between central councils and federations, between federations and the confederation. There was conflict between men, just as there is between municipalities and provincial governments. In all systems, however close-knit, there is always that kind of friction.

The hon. member for Lotbinière (Mr. Fortin) is shocked because the right hon. Prime Minister of Canada (Mr. Trudeau) made a slight dig at the Minister of Labour of Quebec who had meddled in a problem which did not come under his jurisdiction. As Minister of Labour, he could very well have communicated with us, saying: "Listen, we in Quebec are concerned."

We are also Quebecers, Mr. Speaker, and the situation in the ports of Montreal, Quebec and Trois-Rivières, concerns me as it does my colleagues. However, had we made the least untimely remark, the hon. member for Lotbinière (Mr. Fortin) would have risen and said: By what right does the federal government interfere with the provincial jurisdiction? In my opinion, these are small incidents and to magnify them to such an extent is simply an attempt to cause a useless uneasiness.

• (1730)

In any case, Mr. Speaker, conditions are improving. They are not ideal, of course, but efforts are made every day to correct them. The government that will replace us—if this ever happens—will also try to improve the situation which, however, will never be perfect.

A resolution is dramatically introduced to the effect that federal-provincial relations are deteriorating, that the provinces are slowly dying, that they are exploited, that the federal government centralizes and monopolizes everything while the provinces have nothing. Where is the truth? The truth is that in 1948, I believe, the province of Quebec budget was $180 million as compared with $4 billion today. The Social Credit members who are always talking about the importance of money never mention constitutional problems. They talk only of tax problems, of money and gold. Well, since they keep talking about money problems, here is an eloquent case: A province whose budget was $180 million has one now that reaches $4 billion. On what authority can we conclude that it has less influence now than before?

Mr. Latulippe: The cost of living has been rising.

Mr. Marchand (Langelier): Of course, the cost of living has increased 30 times since 1948.

What happened to the federal budget during the same period? It has gone up from $4 billion to $12 billion—that is a fourfold increase—while the provincial budget has increased 25 or 30 times.

Mr. Speaker, I am not suggesting that problems do not exist, but I wonder for what reason people go to such lengths in order to create problems where there are none. Provinces are financially sounder than they ever were. One can do far more with $4 billion than with $180 million, even though the hon. member suggested a moment ago that the cost of living has increased.

I am willing to compare Quebec's financial situation today with what it was in 1948 and it will be realized that this province is far richer than it was. However, this does not mean that is has too much money.

An hon. Member: It has too little.

Mr. Marchand (Langelier): Of course, it has too little, and so have we. We should very much like to have more money. We could for instance implement guaranteed annual income.

Mr. Speaker, I love my province as much as those who criticize us and tell us: How mean you are! Why don't you give it more? It is as if the government of Quebec were not a full-fledged government which is autonomous within its jurisdiction and has the right to impose taxes in order to collect the needed revenues.

Mr. Latulippe: Why do the unions—

Mr. Marchand (Langelier): Mr. Speaker, I do not understand; in any case, this question should be addressed to the unions and not to me.

I am only replying to the main argument which states that the important thing is money. Let us give money to the provinces and the problems will disappear. We shall print and distribute the money. Production will be balanced, goods will be consumed and Confederation will work out!

We point out the facts and of course we receive no answer. We are told that the purchasing power must definitely be equal to the national production. And yet I do not know what they do with the newsprint which is sold outside when the market is stagnant. We shall have to go and give money to those people so that they can buy our newsprint. Otherwise, we will never succeed.

Mr. Speaker, the present government is accused of being centralist, not to care for the provinces. I shall give some very simple examples and I shall cite facts. I shall not deliver a speech that scares people.

For example, let's take the case of my department: this is a very simple one. Do you know how many agreements we settled with the provinces? We settled 45 agreements. These are formal agreements, conventions which are under my department's jurisdiction. Nothing is being made without consulting the provinces.

For all the "special areas", considerable amounts—

[Mr. Latulippe.]

[*English*]

Mr. Orlikow: Or a dictatorship.

Mr. Marchand (Langelier): If you have any facts to put before the House, then give those facts—but just facts. And stop screaming just because you don't like the facts.

[*Translation*]

Obviously, these 45 agreements have been negotiated.

For sure, we would not say: Ask for anything you want, we are going to bargain. If, for instance, a provincial government happens to decide that a road is needed to get to some friend's summer camp, our answer would be no; but in the matters under its jurisdiction, we would never implement anything without first asking the province for its consent.

I have here a list of the agreements entered into under ARDA. As the hon. member for Roberval (Mr. Gauthier) should know, we just signed one with Quebec and the other provinces. We came to an agreement with the Quebec government and we are going to contribute our full share.

In Quebec City, a "special area" has been designated some time ago. We have solved a good many problems without any trouble and the same thing happened in The Pas, following an agreement with the province of Manitoba. Everything went on very smoothly, and those same communities in which unemployment previously ran as high as 30 per cent, are today experiencing a shortage of manpower and workers are coming from other areas.

The same applies to ARDA, to the FRED programme for example, in the Gaspé area, where agreements are reached not only with Quebec but also with private associations. It is the same thing in New Brunswick, where we are about to negociate an agreement with respect to the northeastern area. Then, what is this business about taxation and centralization by the federal government? On the contrary, we are always trying to decentralize.

If the honourable member read a little, if he were better informed, then he would make better speeches. He says for instance that the constitutional conference was a failure because it was a matter of money. I should like to mention to the hon. member that I was in Victoria and that if it was a failure it was not for reasons of money but of jurisdiction in the field of family allowances. If you want to bring out the matter of money, then money do it always in the same manner, otherwise it is ridiculous.

Therefore, there are not only problems of money but also of jurisdiction. Immediately following the Victoria conference, we entered into negotiations with Quebec and the other provinces. Clearly hon. members opposite are not aware of this, and besides, they are not interested. In fact, it is much more simple to speak about distributing money but we have actively negotiated at the official level and the departmental level with a view to finding a formula agreeable to both parties, because the country should be taken as it is.

How is it that social security has been centralized in Ottawa? It is because the provinces have made no progress in this field.

Mr. Latulippe: They had no money!

Mr. Marchand (Langelier): Perhaps they had no money! They only had to raise taxes!

Mr. Latulippe: But they had no money!

Mr. Marchand (Langelier): They only had to raise taxes. Anyway, that is what happened.

In 1927 perhaps Mr. Taschereau might have raised taxes and granted old age security pensions. But there was a problem: Quebec did not want to be the only province paying those pensions since it would have been placed in a situation of economic inferiority.

When a problem arises we try to reconcile jurisdictions and reach and agreement on many issues. Obviously disagreements will arise. And of course each time this happens the doom and gloom prophets start spreading the word that the country is about to fall apart and that Ottawa is arrogant. What I say is true because it is published everywhere.

Who is mentioning the 45 agreements we have negotiated with the provinces and which are operating perfectly well? Who mentions them? I never heard the social credit members voice their approval. They do not mention them at all but they say: You are doing nothing since there is no money for the provinces.

I will quote a few examples. First, we have negotiated special agreements which provided the provinces with $108 million in 1970-71; $85 million in 1971-72 and $120 million in 1972-73.

We also entered into agreements concerning road and highway construction, for which we gave four grants of $14 million, $31 million, $36 million, and $37 million respectively. Under the FRED agreement, we granted $22 million, $36 million, $54 million, and $67 million. Under the ARDA program, we granted $25 million, $20 million, $16 million, and $39 million successively. The total of grants made, which was $63 million in 1969-70, rose to $264 million, and the department for which I am responsible, which had a budget of some $100 million only four years ago, will soon have one of $500 million.

This may not be enough, but let not people come and say that nothing is done, that the federal government is not concerned with the problems of underdeveloped areas. Maybe we should do more, and ask the wealthier provinces for more, but let nobody say that no serious effort is made, everyday, in order to try and ensure a better balance in this country's economy.

• (1740)

Now, Mr. Speaker, I would also like people to learn the meaning of words. When people talk about eliminating regional disparities, this is a bit of an exaggeration, as the objective has never been to eliminate them, but rather to lessen them so that life may be tolerable in all areas of Canada.

Some people may prefer to live in Prince Edward Island, in Newfoundland, or in Nova Scotia, at the Strait of Canso, rather than live in Montreal or Toronto. This is feasible, provided those people have enough to live there, and the Department of Regional Economic Expansion certainly does not aim at having people in the Strait of Canso or in Newfoundland earn as much as people in Toronto. We know this would be neither logical nor feasible. But we want those people, if they decide to live in Prince Edward Island, in Newfoundland, in Nova Scotia, or in New Brunswick, to be able to earn a decent living.

There will always be disparities. Why do people come and say to us: You said you would eliminate disparities but there are more now than ever. This is the main criticism levelled at us. I shall reply in this way but where are they? They do not even bother to provide figures. They should get some information and quote, for such and such region, the unemployment rate compared to the average rate in Canada, stating that it has increased. But those who criticize us cannot provide any figures, even though we pay them a certain amount for their research. If they did some research, they could make speeches which are more than just demagogic exploitation.

Certainly there are problems. There are serious problems in the Lac Saint-Jean area, where the sponsor of this motion comes from. This area has been designated as a "special area", in an effort to attract some business to get established there, and I hope that one of these days our efforts will be successful.

An hon. Member: They want to designate the whole country.

Mr. Marchand (Langelier): You see, they talk nonsense. To designate the whole country would of course mean to eliminate everything, for everyone would be on an equal footing, whereas now, a few achievements are still made, even though they are not mentioned very often.

The mayor of St. John's came into my office the other day. He wanted me to go to St. John's because the citizens were so happy about the achievements of my department that they would like to welcome me in their city, and I shall go there. By the way, the hon. member for St. John's East (Mr. McGrath) was there.

Now, the hon. member for Lotbinière,—who is smiling because that is probably the only thing he can do—whose riding is not far from Quebec City, will go and see what has been done there, in Place Royale and about Saint-Charles River. He will go and see our achievements as regards water sewage, and parking problem, as well as in the area of tourism. He will go and see as well what we did in the seminary of Quebec City. Just open your eyes and look, and then you may wonder what you could do in our place.

Mr. Speaker, since I am in the government, I expect to be criticized, to make mistakes, which is normal. And I believe that it is the role of the opposition to indicate the mistakes, the weaknesses, to propose new solutions.

The other day, I read in *Le Droit* the report of an interview given by the hon. Leader of the Official Opposition (Mr. Stanfield). He was speaking about the relations between the provinces and Ottawa. He thought the Prime Minister was much too rigid, much too inflexible and said: Naturally, there are things which will need to be arranged. It is necessary for us to get together. Obviously everything cannot be given up. But on the whole, I would wish there would be a compromise.

You read that and say: What has he proposed? Nothing at all. He simply said that the Prime Minister was inflex-

ible. Quite the contrary, he is very flexible. It is only necessary to realize the evolution of the discussions, the constitutional debates, to see to what extent the federal government went in order to reach agreements with the provinces.

So, Mr. Speaker, the fields in which there are agreements with the provinces are really many. In spite of all that is said, the provinces are growing stronger and richer, and the same goes for the Canadian people. That does not mean that all is perfect, that there is no unemployment. It is generally known that some go to remote rural areas where they spread rumours: I know, because I have been there after them.

Some people say: in my time, butter cost 25 cents a pount, I myself have known those conditions. We froze in winter, and had to break the ice in the morning to be able to wash up a bit; at night time, we used coal oil lamps. I am sorry, I cannot agree, as I must say that life is now considerably more pleasant than it was 50 years ago. The unemployed suffer less; our welfare system, although not perfect, is obviously superior to the one we had at that time. People are not driven to public begging as they used to be, which does not mean that there is no more destitution, but it is not as serious as the professional scarecrows would like to make us believe.

The motion deals with federal-provincial relations. If we continue to act as we have so far, I am convinced that our federation will operate very well. There will be some conflicts among individuals, whichever federal government is in power. Indeed, some people always interfere with other people's business, but they are told to remain quiet. It is not tragic!

If we had to note all the silly things which are said especially in the province of Quebec by those who protest most strongly, namely the movers of that resolution, we would be surprised! Some people will say: We cannot live side by side, we will go at each other's throat. If we are looking for a speeches stuffed with viciousness and aggressivity, we have only to refer to those delivered by members of the Social Credit Party. Indeed they are the ones who are saying: Dear me, the Prime Minister is so rude; he has been a little rough with the provinces.

Come now, Mr. Speaker, let us be a little more responsible: he is just a man and as such he may knock things over, sometimes.

But on the whole, the provinces can stand on their own two feet. Ontario, British Columbia and Quebec can to stand on their own feet. Hitches are liable to occur, but experience shows that we are civilized enough to live side by side, to pursue common goals and turn our country, not into a paradise, but into the happy place which Social Crediters would never even think of leaving.

• (1750)

Mr. Roch La Salle (Joliette): Mr. Speaker, I was particularly anxious to take part in today's debate on the motion introduced by the Social Credit Party. This motion, as the minister put it, is not entirely right, but it does enable several members to show both sides of the story.

The spokesmen for the party which has moved the motion have applied themselves to saying that this government has not done anything. It is truly stupid to state that someone does not do anything. You either do well or badly, but you do something. So, to say that they have made no efforts and assert, for instance, that the situation is worse than it was 30 years ago is hard to believe.

I was very much interested by the remarks of the Minister of Regional Economic Expansion (Mr. Marchand), who spoke about various agreements reached with the co-operation of the provinces and which are directly related to his department. In that respect, one has nevertheless to admit, objectively, that such agreements have had interesting and beneficial effects on the other provinces and not only on Quebec which had its share, and for that I am glad.

In other areas, the government has also concluded agreements, implemented programs, or handed out to the provinces considerable amounts of money which enabled them to carry out various projects.

These efforts are by no means sufficient. But to say that nothing has been done is hard to justify. In my opinion, the government should be required to do more, and reminded that they must not limit themselves to what has been achieved these past four years. I admit generally that efforts have been made but that it is still not enough.

This motion which nevertheless I think is interesting because it gives us a chance to express our views, brings us back to a very popular topic, namely federal-provincial relations.

It is clear that in the beginning, the Constitution which is directly related to these relationships, was certainly valuable. All hon. members admit that at that time it was apparently an interesting solution. Since then, it has been amended several times. We must recognize that in the last 100 years, some provinces have made greater progress than others depending on circumstances. This is a fact that always prompts the federal government to analyze the feasibility of amending the Constitution periodically, taking into account the changes that occur in every province. Progress having been greater in some provinces than in others, those provinces became stronger and asked for certain powers that others do not want at this time.

There are different viewpoints all across this country. We should acknowledge that Quebec has been recognized as the home of the French-Canadian nation, a fact which differentiates this province markedly from the others.

We are dealing with federal-provincial relations. I was listening to the minister of Regional Economic Expansion who particularly urged hon. members to make an effort and tell the truth. He was perfectly right.

I admit my special interest in the Quebec problem, just as other hon. members will be inclined to describe the problems and achievements of the provinces they represent.

With regard to federal-provincial relations, I must say that every member would benefit from reading over again the briefs submitted in the last ten years to the federal-provincial conferences.

Instead of suggesting that these federal-provincial conferences are not so meaningful, I think that they should be more frequent because, in my opinion, this is how the

premiers of the provinces will get to know each other better and will accept more readily some changes suggested by the federal government.

But, with regard to Quebec—must we repeat it a thousand times—in the briefs submitted by four different governments, the same consistent thinking appears with the request for transfer of certain powers made the federal government.

As a Quebecer, I recognize that my first duty is to answer the requests made by the government of my province. I think that these justifiable requests of Quebec would not adversely affect the building of our country, Canada.

Of course, the reluctance shown by federal governments—and I am not indicting only this government—about the requests made by some provinces, Quebec especially—in view of its particularities—has produced, whether you like or not, an independentist party in Quebec.

These things must be said. I mention them because I think that it is important that all hon. members be well informed about Quebec.

It has been said over again that the *Parti Québécois* only had 7 members elected, but it is giving improper information to the House when you limit yourself to such a statement.

I believe that we should not conceal the truth but openly say that this party has nevertheless won 23 per cent of the popular vote in Quebec in the last election. And that percentage was increased on the occasion of two by-elections a few months later.

To claim that the Parti Québécois in Quebec is unimportant is to be dishonest. To admit that that party could become the official opposition if there is reluctance in meeting certain demands from Quebec, I believe is conceivable.

But such a drive can be slowed down. We should seriously consider the possibility of responding in a positive way to the requests of the present Quebec government, which are the same as those expressed by the three previous provincial governments.

I should like special consideration to be given to the requests from the Quebec minister of Social Affairs who spent ten years devising a plan geared to the future of Quebeckers in a Canadian context. As Quebec representatives, it is our duty to see to it that the Federal government accepts to grant the powers Quebec claims because the Quebeckers future will be conditioned by them.

I was surprised to learn recently that the Federal-Provincial affairs Secretariat had been abolished. As if those federal or provincial problems did not exist anymore. We need a permanent secretariat more and more if those negotiations are to be permanent also. How can federal-provincial relations be improved if we deprive ourselves of a somewhat experienced body that allowed us to maintain regular relations?

Not long ago, Mr. Chairman, considering the present circumstances where certain assertions can be heard either in Quebec or in Ottawa, I had hoped for regular meetings to take place between both groups of Quebec members at the federal as well as the provincial level.

I realize that this suggestion was ratified right away by the Quebec Chamber of Commerce which in a resolution, asked Mr. Bourassa to set up consulting machinery in order to prevent statements such as those which we have heard recently, from causing clashes and engendering a climate where bargaining would become more and more difficult. And I also realize that the Quebec premier yesterday replied positively to the resolution to the effect that it is essential to increase machinery for consultation with Ottawa in order to avoid useless tensions within federalism. For the last three weeks, we have heard such statements, an undeniable proof that some concern exists about the present federalism.

Instead of condemning federalism and being satisfied with criticizing without providing any solution, I should rather urge hon. members to earnestly consider those problems and try to cooperate in finding consulting machinery that would alleviate such clashes and in due course help Quebec members in this House as well as in the Quebec legislature recognize their respective responsibilities and cooperate with a view to ensure that the province of Quebec has a fair, valid and worthwhile representation, which, finally, would benefit the whole country.

Mr. Speaker, I do hope that this debate on federal-provincial relations will result in positive suggestions for the good of all Canadian people.

I note that it is six o'clock and, since my time has not expired, I shall resume my remarks at eight o'clock.

The Acting Speaker (Mr. Boulanger): Order, please. It being six o'clock, I do now leave the chair. The House will resume at eight o'clock.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. La Salle: Mr. Speaker, in my opinion the economic problems have priority everywhere in this country.

The motion we are now studying deals with federal-provincial matters and is closely related to these problems. We talk about regional disparities and we try through every means to eliminate them. I also acknowledge that the problem of economic stability is the most important issue if we look at it from the international point of view.

Perhaps we should remember that in the present economic situation, we should not forget that in the province of Quebec the economic problems are very important and of a constitutional nature.

As far as the people of Quebec are concerned, it is impossible not to give very serious consideration to constitutional problems and difficulties. It does not mean that people in Quebec do not wish for economic stability enabling them to have as high a standard of living as anywhere else, but in view of the objectives of the population, we must also consider constitutional changes. This particular situation is not looked upon in the same way by

other provinces for other reasons and this is clearly understandable, as we admitted for that matter.

This does not mean that in the last four years Quebec has not received considerable amounts of money under agreements with Ottawa, for the implementation of cost-sharing programs. In my opinion, Quebec has received its share in the last four years. It has received interesting amounts of money, but that is not enough, and I do not believe that mere hand-outs of money would meet the expectations of the province of Quebec.

I would like to call your attention especially on those federal-provincial relations directly connected with constitutional matters, for I know perfectly well that Quebec is after major amendments, namely that certain powers be given back to her. Just how much power is the federal government prepared to yield? I also know that some other provinces have indicated and given notice to Ottawa of their intention of asking that some powers, perhaps not at all the same ones and for reasons different from ours, be handed back to them.

I think it is very important that we give special consideration to those claims. I said it before, there is a special situation existing in Quebec where people are losing confidence in federalism as we have it today. I am not suggesting that the majority of the people in Quebec have no more faith in our kind of federalism; that is not what I meant. But I think that a large percentage should make us consider seriously the possibility of transferring some powers to the province of Quebec and answering favourably the requests made during federal provincial conferences.

I bring this problem before the House because I feel it is extremely important. It does seem that the premier of Quebec has recently confirmed his intention of resuming negociations. It seem obvious that, as far as Quebec is concerned, this is an urgent issue and it would be a serious mistake to deal with it simply by offering money.

The reason for this is a particular situation, a people who, for very valid reasons wishes to obtain certain constitutional guarantees.

However I must admit, as I said earlier that certain amounts of money have been paid to Quebec in the last four years, which pleases me greatly. In fact on several occasions, I have had the opportunity to support programs which enabled Quebec to get that money, but once again I am sorry that there has not been more constitutional progress.

And the poor achievements in the field of constitutionnal amendments have generated a good deal of concern in Quebec and allowed a party advocating secession of the province to progress in spite of what is being said.

I believe that the government's reluctance on the subject of constitutionnal amendments are concerned has been a great help to a party which wants the province to separate.

On the other hand, I am convinced that had the federal government reacted more favourably to the minimum requests made by some ministers during the past few years, the province of Quebec would have had evidence that it is possible in this great country, to be considered as one of the founding nations and be assured of an existence in keeping with its aspirations and wishes.

Mr. Speaker, in concluding my remarks, I would like this House to seriously ponder over what I have said about federal-provincial relations. I believe it is still possible for the province of Quebec to hold an interesting position in Canada but we should put an end to this current procrastinating.

I believe that unanimous agreement will develop among our French-speaking members whose duty it is to keep the country informed about Quebec problems, about the requests that have been coming from this province during the last ten years, and to explain the reasons they should be dealt with favourably. In so doing, I am under the clear impression that we will meet the wishes of a province without hurting the others.

Mr. André Ouellet (Parliamentary Secretary to the Minister of National Health and Welfare): Mr. Speaker, the Social Credit Party today blames the federal government for the deterioration of federal-provincial relations.

That judgment seems to me much too hasty and summary, for it simply is the echo of a whole series of statements by Quebeckers who want at any rate the federal-provincial relations to be bad.

There are in this respect prejudices and myths which of necessity must be destroyed. I think that the Créditistes are falling into the trap by presenting that motion today.

It is false to suggest that this govrnment is centralizing more than any other preceding government, but I think that that is exactly what the separatists would nevertheless lead us to believe.

I would not have been surprised to hear the hon. member for Champlain (Mr. Matte) take part in the debate. I was not surprised either to see the hon. member for Lotbinière (Mr. Fortin) who, like the hon. member for Champlain shows certain separatist tendencies, intervene in this debate. But I have been really disappointed to hear the hon. member for Roberval (Mr. Gauthier), who seems to me a serious and level-headed man, move such a motion.

• (2020)

One wonders who is to blame if federal-provincial relations are not as good as we would wish them to be. I have always thought that there were two sides to the medal and I am amazed to note that the Social Credit party of Canada, which is a federalist party, does not realize at all that a host of factors constantly complicate matters and are perhaps, more than the federal government, at the cause of the deterioration of federal-provincial relations.

First, we should not forget that Messrs. Jacques Parizeau and Claude Morin have been advising the government of Quebec for the last few years and have taken an active part in various constitutional conferences. These men are today members of the Parti Québécois and they openly advocate Quebec's independence. They have ceased to be public servants because they have realized they would not, in their official capacity, attain their objective, that is Quebec's independence. In other words, I do not think that Messrs. Parizeau and Morin have turned

separatists because negotiations between Quebec and Ottawa have worn thin. I believe they were separatists even before these nogotiations had started. They have spread confusion all along during the negotiations and, as far as they are concerned, successful negotiations necessarily meant that they should snatch away the whole bite from Ottawa.

Reference was made this afternoon, and the papers have also repeatedly taken up the subject, of a social file that has remained unchanged under the last four provincial parliaments. But let us realize one thing: that this social file of Quebec has been prepared by Mr. Morin himself. Of course, he has always put this file forward at every constitutional conference he has attended.

That is why the picture remains unchanged.

Yet I believe they are forgetting an important aspect of the problem. The situation has changed over the years as a result of agreements apt to be forgotten. For instance, the problem of adult education has been dealt with. The famous problem of universities was also settled in 1966. The situation therefore has changed and it is misleading to claim that it has not.

In the second place, I should like to say that deterioration of federal-provincial relations also takes the form of sensational statements made by some provincial ministers. Of course, some politicians here in Ottawa are guilty of the same. But they do not have the monopoly. How often, over the past years, have we seen provincial politicians, Quebec politicians, unable to resist the temptation of making sensational statements to hit the headlines every time they were confronted with a microphone or a television camera.

In the third place, it should also be said that journalists, whether eager for sensationalism or fanatics of independence for Quebec, have left no stone unturned to blow up any conflicts arising between the federal government and the provinces. In certain quarters, it has come to the point of believing one acquires importance by ranting at Ottawa. That is how Quebec Minister of Agriculture Normand Toupin, according to some journalists, became overnight one of the major ministers of the Bourassa cabinet, just for having attacked the federal government.

Mr. Speaker, I know some excellent Quebec ministers who play, within their departments and respective fields, an extremely important role and yet who do not make headlines in the newspapers. I consider them important ministers in Mr. Bourassa's cabinet, even though they do not give hell to Ottawa, even though the separatist parliamentary reporters at the national assembly overlook them in their articles.

Fourthly, we must not forget, when we speak of federal-provincial relations, that one of the main causes of their deterioration is the activity of the Parti Québécois which make unending efforts to bring the people to believe that everything is going badly. It reminds me of the wellknown French saying according to which lies always leave a trace.

Fifthly, I am also thinking of those wet blankets, François—Albert Angers and Jacques-Yvan Morin who for over a year have been carrying on an underhand fight in university circles and the media to make us believe that we have come to a complete deadlock as far as federal-provincial relations are concerned. Jacques-Yvan Morin is so obsessed by the idea that he has written a book on the Victoria charter saying that it was absolutely essential that Ottawa should not bring out again that famous charter, which would be awful.

Those are, Mr. Speaker, five essential factors which must be taken into account when the record of federal-provincial relations is analyzed. It is unfair to blame this government as being responsible for the deterioration of federal-provincial relations. If it is responsible, you may be sure that it is not the only culprit.

The motion introduced today by the Social Credit states that the federal-provincial relations have deteriorated, especially as a result of the uncompromising attitudes and policies of the federal government. Let us give this a closer look.

First, it is wrong to claim that the Prime Minister is inflexible in the constitutional field. No Canadian Prime Minister has taken the constitutional reform more seriously than he does. Let us remember what has happened. This started with a meeting proposed by the Premiers of Quebec and Ontario, Messrs. Johnson and Robarts, who decided to open the constitutional case. A beautiful conference, full of nice speeches, was therefore held in Toronto.

I suggest, though, that it was the federal government which afterward worked hardest in order to achieve all the original objectives. This government has published, between 1968 and 1970, a series of nine documents covering all the aspects of the constitutional review. In these papers, it clearly stated its position; it stated publicly—what many other governments have not done—what powers it meant to keep as well as the reasons why it wanted to keep them. Neither did he fear to state publicly that he was ready for concessions and to say in which fields he was willing to make them. This is certainly not inflexibility, quite the contrary.

Must I remind hon. members and particularly those of the Social Credit party that despite everything that was said, the Victoria charter had been drafted to accommodate the provinces, Quebec especially. This charter did not intend to give any additional power to the federal government. On the contrary, the federal government had its powers restricted.

As for inflexibility it is mainly displayed by those who think that Ottawa must definitely say yes to all Quebec proposals, otherwise it does not understand anything. And these same persons think that Quebec must flatly refuse all Ottawa proposals, otherwise it disgraces itself and betrays Quebecers.

• (2030)

Do the people who want Ottawa to always agree Quebec also believe that Ottawa should always comply with the requests of the other provinces, particularly when the government of British Columbia asks the federal government to stop its equalization payments?

Mr. Speaker, there is another factor affecting the Province of Quebec especially to which I should like to refer. This is the intransigent attitude adopted several months

ago by the newspaper *Le Devoir* and more particularly by its publisher Mr. Claude Ryan. I have much respect for this man who is certainly one of the most educated minds among Quebec journalists but I do not think that he is fulfilling his role as neutral observer and an enlightened advisor. I do not think that this thinking newspaper is presently playing the role that it could in the Province of Quebec. In my view, this newspaper and its publisher have definitely and deliberately joined the group of those who think that Ottawa is set on saying no to Quebec. They systematically omit to see the federal government's attempts at conciliation for what they are worth, and they even completely ignore any concessions that Ottawa may have made.

Since I am led to mention Mr. Claude Ryan in this House again, I would like to take this opportunity to say that I may have spoken too harshly about him before, during the October 1970 crisis. I think he found himself at that time at the centre of a regrettable controversy which did not do him justice. I hope that my remarks of today will open his eyes and make him realize that there may be people in Ottawa who are not as intransigent as he thinks. I simply ask him to be a little less intransigent himself, and to consider and recognize that this government has shown great flexibility in its negotiations with the province of Quebec in several areas in which observers had said it would be impossible to come to an agreement.

I am thinking particularly of agreements entered into with Quebec concerning international conferences, immigration, and the development plan for the National Capital area, which includes Hull. In other sectors, particularly those of farm products marketing and of taxation, the government invited the provinces to make any suggestions which they thought useful, and later made numerous and substantial amendments in each case, taking their views into account.

I therefore ask Mr. Ryan and all other Quebecers who have some respect for the Canadian experience to reconsider the offer which the Prime Minister made to his counterpart in Quebec in his letter of March 9 last concerning family allowances. This offer represents a major initiative in the field of federal-provincial relations. For the first time, it will be possible for a program established, financed and administered by the federal government to be changed by the law of a province, even if the latter's financial contribution is minimal compared with that of the federal government. This solution provides the provinces with the right to amend the federal plan to meet their individual requirements. It also enables provinces to implement built-in family allowance systems, without disregard for national standards and without jeopardizing the federal function of redistribution. Thus, the citizens' fundamental interests and those of the two levels of government are served this way.

I would also like to see greater interest in the Prime Minister's offer that the principles governing an arrangement over family allowances be extended to other social programs within the framework of a constitutional agreement.

If such principles were entrenched in a new Constitution, Quebec would be provided with the guarantee it is seeking. It is unfortunate and indeed regrettable that the Quebec Government has not as yet given a positive answer to the suggestion made by the Prime Minister of Canada.

Let us consider that suggestion a little more closely. Let the Social Credit Party consider this suggestion more closely. They will then realize that the federal government is far from being inflexible. Let us examine together, for a few minutes, all the concessions and changes made in respect of the federal Family Allowances Act and we will realize that the federal government has shown a great deal of flexibility in its dealings with the Quebec claims.

Quebec said: provincial legislation should have precedence in matters of social policy; the choice given to the provinces, according to the federal bill, will enable them to revamp the system so it will comply with the social priorities of the provinces.

Quebec said: the provinces should control the development of social policy, if not its administration. The choice given the provinces enables them to adjust the system to their own social policies.

Quebec said: the Constitution should provide a permanent guarantee of provincial priority in the field of social policy. The letter forwarded to Mr. Bourassa shows that we are ready to include such guarantees in a revised constitution.

Quebec said: the benefits provided for in the plan and the minimum income should escalate with the increase in prices and wages. The federal bill provides for the periodical readjustment of the maximums and the benefits, by means of Orders in Council, in keeping with the changes in price and wage levels.

Thus, some fifteen suggestions have been made which have been dealt with by the federal government.

Mr. Speaker, these are some instances which clearly show that we are not as inflexible as some people would have us. In closing, Mr. Speaker, I would also like to say that federal-provincial relations could be improved. I think they could be better and that it is possible, amongst men of good will, to agree and, in particular, to find a solution to the Quebec problem.

I am in complete agreement with Mr. Castonguay when he says:

"The coherences needed to govern Quebec are not inconsistent with the coherences required to govern Canada."

When Mr. Castonguay says:

We fight for the right to establish our own priorities—

I reply: "You are right, and the federal government, far from refusing to recognize your claims, is ready to entertain them. Therefore, let us try to agree. This is what the people of Quebec, in particular, want and this is what the federal government is ready to do to better serve the citizens we represent at our respective levels."

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I should like to say a few words in support of the motion which was introduced in the House today in order to call our attention to the problems which exist in federal-provincial relations, namely the trouble we have to agree on constitutional matters.

It gives me great pleasure to have the floor after having heard the hon. member for Papineau (Mr. Ouellet) standing up for his government by saying that it is not being obstinate, that everything is rosy and that we have in the prime minister of Canada (Mr. Trudeau) the most flexible man in the world.

Mr. Speaker, if this government is so flexible, how do you explain the stiffness of the press release following the constitutional conference held in Victoria on June 14 and 16, 1971?

• (2040)

I would like to refer the House to paragraph 2 of the conclusions which appeared in release jointly published and which probably came from the thinkers on constitutional matters of the right hon. Prime Minister (Mr. Trudeau). I quote paragraph 2:

> If the Charter that must be considered as a whole is accepted and that this fact is made known to the secretary of the constitutional conference on Monday June 28th 1971 at the latest, governments will recommend the Charter to their legislatures and, in the case of the federal government, to both Houses of the Parliament.

Mr. Speaker, we had said that the provincial government has been given exactly 11 days to submit all of the foreseen constitutional amendments which included the formula itself and we told the provinces: "This is the subtlety and flexibility of the Prime Minister". It is that subtlety and flexibility that the hon. member for Papineau (Mr. Ouellet) has just told us about.

The Prime Minister of Canada and his team told the provinces that they were giving them a mere 11 days to accept definitely a charter which would bind them all to conditions that they could not accept at that time. They needed time to try and decipher this whole muddle contained in the conditions discussed at the constitutional conference.

If this is what the hon. member for Papineau calls flexibility, I tell him that he cannot read and that he easily confuses flexibility with rigidity and arrogance.

Mr. Speaker, the main reason why the Victoria conference was a failure is that the provincial governments were denied the time to assess and give mature deliberation to the terms of the proposals made at this conference. I say that under these circumstances, it was certainly not flexibility or comprehension but rather arrogance and rigidity, which have led to the confrontation which we are now facing.

Mr. Speaker, the motion now before us not only deserves the support of hon. members but also of the whole population.

Its terms are wide enough in scope that they can encompass a wide range of opinions. This is why the Minister of Regional Economic Expansion (Mr. Marchand) engaged in a flight of oratory that was far more emotional than responsible. For 20 minutes, he beat his chest like a buddha and congratulated himself for his so-called administrative achievements, since no one else would do it for him. And like Archimedes he exclaimed, Eureka, I have discovered the principle of the lever. As if the minister had just discovered electric light!

Mr. Speaker, the hon. Minister of Regional Economic Expansion has attempted to persuade us this afternoon of the favours he has done to designated areas by giving millions of dollars. He has obviously omitted to say that these hundreds of millions come from the taxpayer's pocket and not from the present government, and that moreover, these grants became necessary because of the irresponsible economic policies of his government which brought about an unprecedented level of unemployment in the designated areas.

Moreover, Mr. Speaker, the minister's argument is extremely faulty and is an insult to the provinces, and to the province of Quebec in particular, because I want the minister and his colleagues to know that a constitution is not bought, that it is negotiated in good faith with understanding and in the required spirit of conciliation.

This afternoon, the hon. minister spoke of "verbal stupidities" and on this matter, Mr. Speaker, I would advise him to reread his own statements made in the House and elsewhere during the October crisis and he would find there the true definition of "verbal stupidities". He is not much more deserving than those of his friends he was accusing this afternoon.

The hon. minister accuses those who are concerned about real problems in Canada of being "scarecrows and prophets of gloom" to quote his own words.

Mr. Béchard: It is true.

Mr. Valade: If it is true as the hon. member for Bonaventure-Îles-de-la-Madeleine says, according to the minister, Mr. Bourassa, Mr. Castonguay and Mr. L'Allier, who are all members of the Liberal government of Quebec are "prophets of gloom and alarmists" because they are the ones who have been complaining for many months, if not many years, about the obstinacy of the Liberal government and of the Minister of Regional Economic Expansion's attitude.

If such is the case, Mr. Speaker, if the words of the Minister of Regional Economic Expansion must be taken as a serious statement, I say that the minister will have an obligation in the next provincial elections in Quebec to commit itself to fight officially and openly against the government of Mr. Bourassa, or else we shall consider the words he said this afternoon as nonsense and proof of his irresponsibility.

If such is the case, Mr. Speaker—

Mr. Ouellet: Phoney!

Mr. Valade: Are you finished belching? If you are sick, retire.

An hon. Member: You started it.

Mr. Valade: Mr. Speaker, I should very much like to receive advice from a well-behaved person but if I read the things that the Prime Minister has said about Mr. Cournoyer a few days ago, I have no lessons in politeness to receive from the government.

Federal-Provincial Relations

Mr. Speaker, the motion to draw the attention of the House on the problem of federal-provincial relations also urges the government to act in this field.

The problem is definitely an important one as relations between Quebec and Ottawa and even between the other provinces and Ottawa have never been so bad as they are now.

One of the main reasons for this is the haughty, provoking and insulting attitude the present government has toward Quebec.

An hon. Member: What about the 60's?

Mr. Ouellet: What about the Diefenbaker administration?

Mr. Valade: The present St. Lawrence harbour strike provides a perfect illustration of this arrogance of the government, because of the way the Prime Minister of Canada spoke of the Quebec Minister of Labour in connection with that conflict.

You would have to be quite blind, Mr. Speaker, not to see how impossible it is for most provinces to meet the economic and social needs of their population.

In Quebec some types of welfare benefits for the poor have had to be reduced because of lack of funds. Provincial governments have to assume financial burdens forced upon them by unilateral federal legislation such as the Unemployment Insurance Act, extended to teachers and other groups, the Old Age Security Act and the Family Allowances Act.

This afternoon, the Minister of Regional Economic Expansion (Mr. Marchand) said: "Not only the provinces, but we also need money." You can't beat that as a self-evident truth.

Of course the government needs money, not to develop meaningful measures, but to dissimulate its economic failure on the eve of a coming election, in a desperate effort to restore its prestige and its credibility in the eyes of the people.

No amount of discourse on the needs of governments at all levels will settle anything.

So long as the federal and provincial governments do not come to an agreement on fiscal distribution, there will be problems. This fiscal distribution between provinces and the federal government is urgent and should be embodied in a new constitution.

The Victoria conference was a failure precisely because the cart was put before the horse. They have discussed about everything except the essential issues and this was similar to asking the minister of Regional Economic Expansion to think before speaking. This is just as impossible as reaching a solution.

Before agreeing to a constitutional structure, the provinces, and mainly Quebec, rightly wanted to know how we could reach some acceptable agreement after having been tied down by a strict procedure.

Are these provincial situations and attitudes logical? It was responsible!

Unless a final agreement is reached on tax distribution, Mr. Speaker, this government will carry on with its centralization policy at the expense of the provincial economical and political balance.

Quebec and some other provinces are growing impatient because of the government's intransigence and for many months all provincial governments have been asking the government to resume the constitutional discussions on basic principles.

Two major events have been rocking Quebec, namely the social crisis which caused massive walk-outs and paralyzed several sectors and also the conflict between Quebec and Ottawa about federal-provincial relations and social security in particular and which almost caused two of Mr. Bourassa's most influential ministers to resign, namely Messrs. Castonguay and L'Allier.

• (2050)

Those events and the situation in Quebec should entice the government to re-open the constitutional debate and to move closer to the aspirations of the Quebec government and those of the other provinces. Quebec is not involved alone. The inability of the government to find a solution to the constitutional problem is at the heart of the present difficulties. That policy of confrontation, particularly towards Quebec, is nearly a national suicide. It sows division between Quebecers and irreparably opens a gap between federalists and separatists.

Therefore, in order to hasten the constitutional revision process and to promote the image of a greater Canada, the government should hold forthwith a constitutional conference based on the attribution of powers. The sharing of tax ressources would also be on the agenda, so as to take into account the increasing needs of the provinces.

The Victoria Charter failed because it did not make of the distribution of powers the focal point of the negotiations, and the Minister of Regional Economic Expansion knows it. It is useless to try and make individual arrangements on secondary matters such as the repatriation of the Constitution or the adoption of a bill of human rights until negotiations were started on the basic issue. We must, therefore, regain the spirit which animated the Fathers of Confederation over 100 years ago and consider the constitutional review in its entire context.

The whole field of social security should be re-evaluated according to a criterion which could be as follows: In the context of the seventies, which level of government—provincial or federal—can best assume primary jurisdiction in the various spheres of Canadian activity? This is an important matter, in spite of the cynical smile of the Minister of Reginal Economic Expansion.

Mr. Speaker, areas of jurisdiction obviously need to be clearly defined. Our federal-provincial relations are literally assaulted by the overlapping activities of modern governments.

My suggestion, Mr. Speaker, is a new alternative, and a more constructive way to give a new start to constitutional negotiations, which after five years ended in deplorable failure.

The conference could be held in Quebec City, especially to commemorate the pre-Confederation period. It could

meet *in camera* and on an ongoing basis, and include first ministers or reprsentatives delegated for this purpose, as well as representatives of the opposition parties of all provincial governments.

Such a suggestion, Mr. Speaker, would certainly gain the support of the Quebec governement as well as those of other provinces. It would particularly meet the aspirations of minister Castonguay concerning the approach to constitutional review.

In English Canada, a positive response could be expected. We know that, recently, Ontario and British Columbia advocated a better distribution of powers between governments. The Ontario premier, Mr. Davis, took a position similar to that of his Quebec counterpart concerning telecommunications, respect for provincial priorities, and a new sharing of fiscal resources.

The relations between Ottawa and Quebec are at their lowest, and the Prime Minister will probably try, if he accepts this proposal, to erase the bad impression he left, particularly following certain remarks which he made and which were reported in the *Toronto Star*.

For himself, premier Bourassa, in the face of Ottawa's intransigence, is re-evaluation—we know it, and the government knows it—his whole relations with the federal government, and he may soon announce a new strategy, even going so far as to indicate that his government could retaliate against the central government.

Mr. Speaker, earlier, the Minister of Regional Economic Exansion expressed concern and accused the leader of the Progressive Conservative party (Mr. Stanfield) of having nothing to say on this matter and that all his statements were evasive and general and that he could make nothing out of them.

If the minister understand nothing, it is because he cannot read and does not want to understand. May I remind the minister, Mr. Speaker, that he should refer to the newspaper *Montréal-Matin* of May 31, 1972—this was not 10 or 20 years ago—and certain things are indicated about the leader of the Progressive Conservative Party, and I quote:

> For Mr. Stanfield, the role of the federal government is mainly one of coordination and support and the responsibiliy rests with the provinces and municipalities to make basic decisions on the direction of their politicies in urban development.

That is what the leader of the Progressive Conservative Party said with regard to urban responsibilities, demonstrating clearly that for many years his party has adopted clear and specific positions on particular points instead of making great statements on philosophical principles. Those positions have far more practical consequences than the personal attacks of the member for Papineau against certain journalists who are not here to defend themselves, and which I consider cowardice on his part, attacks that would better be made outside the House where they would be answered.

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

The Acting Speaker (Mr. Laniel): The Parliamentary Secretary to the Minister of National Health and Welfare on a question of privilege.

Mr. Ouellet: Mr. Speaker, I would like to remind the hon. member that he cannot tax me with being a coward when I am here and ask him some questions and tell him, as I did the last time he spoke in the House, that I am ready to tackle him in his riding. He did not invite me today, but I am still willing to go back there.

The Acting Speaker (Mr. Laniel): Order. I would ask the Parliamentary Secretary to tell the Chair what is his question of privilege, because his remarks have nothing to do with a question of privilege.

Mr. Ouellet: Mr. Speaker, the member for Sainte-Marie has called me a coward. I tell him that I am ready to go and tackle him in his riding and speak to his constituents. That is not cowardice.

The Acting Speaker (Mr. Laniel): Order. The Parliamentary Secretary will admit that the point he is raising is not a question of privilege under the Standing Orders. The hon. member for Sainte-Marie.

Mr. Valade: Mr. Speaker, he is welcome in my constituency but he will not be there very long because our people will be expecting him if only to ship him back home immediately.

To conclude, Mr. Speaker, and in reply to certain false statements we do realize that this debate should have remained objective, but considering the remarks made by the minister of Regional Economic Expansion it is necessary to set the record straight. The leader of the Progressive Conservative party, unlike what the minister of Regional Development said this afternoon made a statement, not yesterday, not last year, but on May 13, 1968, almost four years ago, stating his position. Let me quote from the speech he delivered in St. John's Newfoundland!

The Liberal government in Ottawa,—

Mr. Béchard: Did that work?

Mr. Valade: That did not work because the Liberals tampered with the whole thing during the last election campaign, by appealing to personal feelings; the Liberal party, as we know, has never been able to discuss political issues because of this "Trudeaumania", a joke that will soon come to an end.

Mr. Speaker, I should like to quote from the remarks made by the leader of the official opposition, (Mr. Stanfield) in St-John, Newfoundland:

> The Liberal government in Ottawa, during the past five years, missed such opportunities and failed in his obligation to assure that essential responsibility of national government.

—That is our theme because we do consult the provinces and we shall consult them soon. The quotation goes on:

> They did not succeed in consulting the provinces on priorities related to economic development and social policy. They refused to adjust national programs to regional needs and objectives.
>
> They went astern on programs which were useful to the provinces or changed them without sufficient consultation. They tried to force provinces into costly programs which they could not afford, and then, they lectured on the need for restraint.
>
> This is not a display of strength on the part of a federal government, but rather a display of weakness, thoughtlessness and stupidity.

Further on, Mr. Speaker, on page 2—

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

Mr. Valade: The hon. member will be able to ask his question afterwards.

On page 2 of the same text, Mr. Speaker, we find the following:

The Acting Speaker (Mr. Laniel): Order, please. I regret having to interrupt the honourable member but his allotted time has now expired although the Chair has allowed him an extra minute because of the question of privilege which was raised.

[*English*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the motion by the Social Credit party refers to the deterioration of federal-provincial relations and blames it on the unilateral decisions of the federal government and its refusal to meet the legitimate needs of Canadian provinces. I can support that motion because it is obvious today, as it has been for some time, that this is a government which does not believe in consultation. It is a government which makes unilateral decisions regardless of the serious consequential effects of its decisions.

Let me deal with some of these decisions and their effects on people of this country. The most important decision made by this government, one which has had disastrous and divisive effects on our people, was the decision made some 2½ years ago that the most important thing we had to do was fight inflation, and to fight inflation we could afford unemployment. The Prime Minister (Mr. Trudeau) said in a press interview that he would not be deterred from his anti-inflationary policies even if it meant 6 per cent unemployment. He succeeded beautifully, because in almost every month for two years or more we have had 6 per cent or higher unemployment on a seasonally adjusted basis.

I could not help being impressed by the eloquent and passionate speech made earlier this afternoon by the Minister of Regional Economic Expansion (Mr. Marchand). I was interested, not in what he said but, rather, in what he did not say. It was not an accident. Here is a cabinet minister who came to this House after having served as the president of one of the major labour organizations in the province of Quebec. He made a major speech today and did not mention unemployment.

• (2100)

What is the record? The minister told us how great this country is doing and how wonderful everything is. Well, for May of 1972, 552,000 persons were unemployed. This figure is almost 10,000 more than the figure for May of last year. On a seasonally adjusted basis the unemployment figure was 6.2 per cent, compared to 6.3 per cent for May, 1971. What about the minister's province? He did not talk about it, but in the province of Quebec in May of 1972 there were 206,000 people unemployed. This figure is 10,000 more than the figure for the previous year.

Mr. Osler: How many were there last month?

[Mr. Valade.]

Mr. Orlikow: The hon. member for Winnipeg South Centre (Mr. Osler) is making the same type of useless interjection that he so frequently makes.

Mr. Osler: How many were there last month, compared to the month before?

Mr. Orlikow: There may be members of this House who are more stupid than the hon. member for Winnipeg South Centre, but they have enough brains to keep their mouths shut. The hon. member knows, or he ought to know if he knows anything, that one compares unemployment by relating one month to the same month in the year before. There were 10,000 more people unemployed in the province of Quebec in May, 1972, than there were in May, 1971. The seasonally adjusted rate of unemployment in the province of Quebec in May, 1972, was 8.1 per cent.

The Minister of Regional Economic Expansion did not mention a word about this. I want to compare the silence of the minister today with the type of statements he made before he came to this House. I have in my hand a copy of a memorandum submitted by the Confederation of National Trade Unions to the federal cabinet in February, 1964, when the minister was president of that organization. I wish to quote a few paragraphs from the section dealing with unemployment. This memorandum reads:

> In Canada, there is no such thing as the right to work for a great number of citizens. Hundreds of thousands of Canadian workers are either unemployed, insufficiently paid, or worrying about the day when they will be told that their services are no more required.
>
> It does not seem that the privileged group who is not suffering from unemployment is much disturbed by the chronic aspect of mass unemployment in Canada.

Obviously, the minister is one of the privileged group so he no longer needs to worry about mass unemployment as he did in 1964. Further in the statement we find these words:

> In Canada, and most particularly in Quebec and in the Maritimes, unemployment rates exceeding 7 per cent and 10 per cent merely bring a few compassionate speeches and generous projects—

As I pointed out, unemployment last month in the province of Quebec, on a seasonally adjusted basis, was 8.1 per cent—and we do not even get compassionate speeches from the ex-president of the Confederation of National Trade Unions now that he is a minister. In this statement the minister closes by saying:

> The state should concern itself above all with directing and orienting the economy and the distribution of wealth and with establishing conditions that ensure full employment and social security.

If ever there was a minister who forgot the things he spoke of before he entered politics, it is the Minister of Regional Economic Expansion. The decision of the federal government, that unemployment was not important, was a unilateral decision. There were provinces which were concerned, and there are now provinces which are concerned. There were provinces which called on the federal government, and there are provinces which are now calling on the federal government, to do something about unemployment. Let me quote one paragraph from a statement made by the Premier of Manitoba to the federal-provincial conference held in Ottawa from November 15 to November 17, 1971:

Our concern with full employment is to ensure that people are saved the humiliation and hardship of involuntary unemployment, and to prevent the great waste of real output that unemployment entails, perhaps $8 billion or more in the period just past. In many of the other areas our fundamental concern is with how the output of the economy is distributed. Our fundamental concern is with equality of the human condition, and to this end we wish to see progress towards economic equality.

Did the Premier of Manitoba receive any co-operation from Ottawa; or was he ignored, as other premiers on other occasions have been ignored? Here, in dealing with unemployment, we have a glaring example of unilateral action by this government. Let me cite several other examples. If we have in Canada a system of universal hospital insurance, it is partly because the province of Saskatchewan, under the premiership of my colleague the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), started such a program. Also, if we have a national program it is because a Liberal government told the provinces it was willing to finance hospital insurance on a 50-50 basis.

Some years later, under another Liberal government headed by Mr. Pearson, this same proposal was put to the provinces in respect of medical insurance. Every province now has a system of universal, government-operated hospital and medical insurance. Until now 50 per cent of the cost of both programs has been borne by Ottawa. These programs, in many provinces—certainly the have-not provinces such as the Maritimes—would never have been started had it not been for the pressure applied, and I commend the government for doing this, to the provincial governments in respect of entering this kind of a program.

Mr. Drury: That is co-operation.

Mr. Orlikow: Exactly. I will come to that in a moment. What has happened? The cost of operating hospitals and a medical insurance plan has been accelerated. Costs have been going up by about 14 per cent per year. Suddenly the co-operation which my friend the President of the Treasury Board (Mr. Drury) referred to, the consultation and discussions which the federal government had carried on with the provinces, disappeared. The minister can shake his head, but the ministers of health and the ministers of finance of the provinces know the real facts.

Suddenly the provinces received a proposal from this minister saying that the period in which Ottawa would pick up 50 per cent of the cost of hospitalization and medical insurance had expired. Suddenly they are told that in the new negotiations Ottawa is prepared to agree only to increases in its contribution based upon the increase in the gross national product. We are speaking now of an increase of 6 per cent or 7 per cent a year. What happened to the co-operation of which the President of the Treasury Board speaks? It has gone.

• (2110)

Mr. Speaker, I can tell the President of the Treasury Board that the provincial ministers of finance and ministers of health are just as concerned, or more concerned, than he is about the increase in cost. They want to find ways of slowing up or stopping these increases. Some of them have been proposing that the government's schemes should not simply cover payment of costs for treatment of acute cases in general hospitals but should cover nursing homes, rehabilitation hospitals and other forms of alternative care.

They want to work this out in co-operation with Ottawa, but Ottawa says, "Oh, no. We are telling you that we are only going to increase our contributions in the very near future by an increase in the gross national product," which is approximately half the annual increase of the cost of hospital and medical insurance. That is the kind of co-operation which Ottawa is proposing to the provinces.

Let us look at the whole program of paying for post-secondary education. There has been an explosion in the number of young people who finish high school and go into our universities, colleges, community colleges and technical institutes. That is good; we need much better educated people than we have had in the past. But the costs have been growing at a fantastic rate. This year, Ottawa estimates that it will be paying to the provinces, as its 50 per cent share of the cost of post-secondary education, in the neighbourhood of $534 million. That is a sharp increase over last year and the year before.

Again, the provinces are just as concerned about the rapidly escalating cost of post-secondary education as is the President of the Treasury Board. I am 99 per cent certain that the cost of education in every province in Canada is now higher than the total budgets of these provinces, 15 or 20 years ago. The provinces would be almost as stupid as the President of the Treasury Board if they did not realize that suddenly, in the last couple of years, a university degree is not an automatic guarantee of a job. Suddenly they begin to realize that if you have a BA, a BSc. or a Bachelor of Education you do not necessarily find a job. Suddenly they begin to realize, as they should and as Ottawa should, that we should be taking a good, hard look at the whole question of post-secondary education. Therefore, in the province of Ontario there is a commission, formerly headed by Professor Wright, studying the question of post-secondary education, and in Manitoba there is a task force headed by Michael Oliver, the new president of Carleton University, studying the question of post-secondary education. In other provinces, similar studies are being undertaken, and so they should.

But before these studies have been completed—and they are just beginning—before the findings have been digested, before recommendations have been made, before the provinces can possibly know what they will have to face in the next 10 or 20 years in the field of post-secondary education and what they can do, if anything, to arrest the spiralling cost of post-secondary education, again you have a unilateral decision of the federal government to cut back on the amount of money and on the percentage of the cost of post-secondary education which they have been paying until now.

I say that in these three fields—unemployment, health services both hospital and medical, and post-secondary education—what we have had in the last three years is a hardening on the part of the federal government. Unilateral decisions have been taken, some of them announced and some of them just implied—I presume, to be announced later; probably after the next federal election—that Ottawa is either getting out of shared-cost pro-

grams, most of which would not be in operation today if Ottawa had not urged the provinces to get in, if it had not offered the carrot of a 50 per cent payment, or Ottawa is making a unilateral decision to cut back on these commitments made to the provinces.

The President of the Treasury Board knows even better than I do that the projections made as to future revenue sources indicate that the prospects of the federal government—I hope it will be a different government than this one, in fact, I am sure it will be—in terms of revenues as compared to expenses are very good. The federal government in the next few years will likely be facing a surplus. The prospects of the provinces, which have the responsibility in dealing with such major forms of activity as education, health and welfare, are increased deficits and increased taxes. The situation has been exacerbated by the unilateral decision of the federal government to talk to the provinces but not to really consult and not to arrive at decisions on the basis of agreements.

Mr. Herb Breau (Gloucester): Mr. Speaker, I have always found the NDP confusing. I have found them to be mixed up in many of their policies but never have I realized it so much as when I listened to the hon. member for Winnipeg North (Mr. Orlikow) speaking on this motion. On the one hand, the hon. member seems to be the great defender of the provinces. That is how he spoke this evening. The reason he does so is probably because it is politically expedient at this time. The NDP, in the course of the last few months and perhaps the last few years under its new leader, has forgotten all about their principles, all about their famous concepts to save their political skins because they have been so unpopular and have had so many problems. Suddenly they change from one position to the other. On the one hand, tonight they defend the provinces—

The Acting Speaker (Mr. Boulanger): Order, please. Is the hon. member for Fraser Valley West (Mr. Rose) rising for the purpose of asking a question?

Mr. Rose: Yes, Mr. Speaker. The hon. member for Gloucester (Mr. Breau) is imputing certain motives to the hon. member for Winnipeg North (Mr. Orlikow). I cannot understand why he would do this, because I do not think the hon. member for Winnipeg North or his party threaten the hon. member.

Mr. Breau: That is the problem with the NDP; they can give it but they cannot take it. I have not imputed motives to the hon. member for Winnipeg North; I am just responding to his speech. And I do not only respond to speeches when my constituency is threatened, because if that were the case I would not be speaking very often.

Mr. Rose: You do not speak very often, anyway.

Mr. Breau: I speak just as often as the hon. member for Fraser Valley West (Mr. Rose). The hon. member for Winnipeg North and some members of the NDP today suddenly respect the rights of the provinces. But what about their position on foreign control of the economy, for example? Do they respect the provinces? How many provinces support the stand of the NDP on foreign investment? How many provinces support the stand of the NDP on the foreign takeover review act introduced by the Minister of Industry, Trade and Commerce (Mr. Pepin)?

• (2120)

Mr. Orlikow: How many provinces support the government's proposals?

Mr. Breau: Many provinces support the government's proposals. Even the premier of the province from which the hon. member for Winnipeg North (Mr. Orlikow) comes is not that much against this government's proposals.

The Acting Speaker (Mr. Boulanger): Order. The hon. member for Winnipeg North (Mr. Orlikow) knows that the hon. member who has the floor has only 20 minutes in which to make his speech. I think the hon. member should be allowed to make his speech.

Mr. Breau: I point out that they cannot take it, Mr. Speaker.

[*Translation*]

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

The Acting Speaker (Mr. Boulanger): Order, please. The hon. member for Lotbinière on a point of order.

Mr. Fortin: Mr. Speaker, you have just said that the hon. member for Gloucester (Mr. Breau) would be allowed 20 minutes. Between the Chair and us there has just been an agreement allowing the hon. member for Compton (Mr. Latulippe) to close the debate and to have 20 minutes for that purpose, which means that the hon. member for Gloucester will not have the floor for 20 minutes, though being allowed to make his speech.

The Acting Speaker (Mr. Boulanger): Order, please. Nothing tells me that the hon. member is not entitled to his 20 minutes.

Mr. Fortin: I rise on a question of privilege. Your Honour, I do not mean to offend you, but I very respectfully beg you to inquire from your two assistants, who have quite an assignment to meet—

The Acting Speaker (Mr. Boulanger): Order. There is no question of privilege. I have all the information I need to know that the hon. member for Gloucester is entitled to 20 minutes.

Mr. Fortin: I rise on a question of privilege.

The Acting Speaker (Mr. Boulanger): Order, please. Does the hon. member for Lotbinière rise on another question of privilege?

Mr. Fortin: Yes, Sir.

Mr. Speaker, I cannot accept that decision and I question it because two hon. members from my party witnessed the agreement that was made with your colleague and we expect that agreement to be observed.

The Acting Speaker (Mr. Boulanger): Order! I have stated my decision; the hon. member who has the floor is entitled to his 20 minutes.

[*English*]

Mr. Breau: Mr. Speaker, I was just trying to point out the differences of opinion that we get from a party like the NDP, depending on the issue with which we are dealing. One day they do not give a heck about the provinces; they have the dogma, the theology, the answer to everything—name it, and they believe in their ideology to solve all problems such as foreign ownership of the economy. But when we talk about an issue on which the provinces are a little firm, the NDP sides with the provinces. I do not see how a party like that can take such stands if it ever dreams of coming to power.

Mr. Rose: Not in your province.

Mr. Breau: You can bet on that. You won't have much support in my province.

[*Translation*]

Mr. Speaker, I would also like to deal briefly with the comments made by the hon. member for Sainte-Marie (Mr. Valade) who spoke before the hon. member for Winnipeg-North (Mr. Orlikow). The hon. member for Sainte-Marie mentioned a press release issued after the Victoria Conference. He was trying to use that press release to show that the federal government's position on the constitutional debate was a rigid and inflexible one and that the right honourable Prime Minister (Mr. Trudeau) was an obstinate man who would not listen to anyone.

Mr. Speaker, had the hon. member taken time to read a little further he would have noted that it had been issued after the Victoria Conference jointly by all the participating governments. It was not a federal government release but a joint federal-provincial one which all the governments represented in Victoria had agreed to.

If the people attending a conference decide upon a joint release in which they state that in 8, 11, 12 or 50 days, they will give out an assessment of a situation, it seems to me they are free to do so, and the hon. member for Sainte-Marie cannot say that the federal government has prompted it.

Mr. Speaker, the hon. member for Sainte-Marie said that the Prime Minister was inflexible. I should like to tell him that there is a difference between firmness and inflexibility, between firmness and weakness. The hon. member probably sees our leader as one who controls everything, as his own leader who says one thing in one place and another thing in another one or in the House, according to what he is expected to say.

The Prime Minister has been firm on the constitutional issue; he has listened to the provinces. He has not been inflexible, but firm as the Prime Minister of a country, the head of government ought to be, especially when the matters at hand concern ten provincial governments.

The hon. member quoted two examples of governments which he thought were perfect: those of Ontario and British Columbia. These are two fine governments indeed to quote as examples in the fields of constitution and national unity! Ontario is an economically centralization-oriented government and British Columbia, which opposed the equalization system, accepts moneys from the federal government for introducing bilingualism and simply puts them in its general education funds while neglecting to implement a program approved by the federal government.

These are two fine examples given by the member for Sainte-Marie, a member from Quebec, in the constitutional debate.

Mr. Speaker, I am happy tonight to take part in the debate on the motion of the hon. member for Roberval (Mr. Gauthier) on federal-provincial relations. This is an important subject and I commend the hon. member for drawing the attention of the House to it.

However, I cannot support his motion because I do not agree with this statement:

—the government's responsibility for the deterioration of federal-provincial relations—

If there is any.

I do not agree because generally speaking I feel that federal-provincial relations are better than ever.

There are many examples of federal-provincial agreements between the Department of Regional Economic Expansion and the provinces; I am thinking also of agreements with other departments, the new fiscal arrangements and the new equalization formula which has been accepted by all first ministers, or at least by the constitutional conference of last December. I think it is wrong in view of this to suggest that federal-provincial relations are worse than ever. On the contrary, perhaps they have never been better.

Mr. Speaker, on the question of federal-provincial relations, many Canadians and members of this House consider the federal government, in our political system, as being a mere tax collector who unconditionally distributes his money around to the provinces which have all the necessary ability to administer them better than would the federal authority.

Mr. Speaker, such is not my idea of the part the federal government has to play in our system, nor is it that of my party nor of the government. I support the government's contention that it can handle as efficiently the benefits related to social services and influence the direction of such services provided to Canadians.

I do not intend by these comments to undermine the provinces, because I have always supported them.

Various precedents show that it is not true that the federal government has prevented some provinces to reform their welfare systems. I can even give some examples. When New Brunswick introduced a municipal tax reform within a program aiming at providing equal social services for the people, such program was meeting the needs of the population of New Brunswick.

When he introduced legislation to this effect, Hon. Mr. Robichaud did not come to Ottawa. Nobody in Ottawa could have prevented him from acting. There was no godfather in Ottawa whose permission should have been sought before embarking on a social reform in New Brunswick. Mr. Robichaud decided upon it and implemented it. It is as simple as that.

[*English*]

The hon. member for Winnipeg North talked about the time when the hon. member for Nanaimo-Cowichan-The-

Islands (Mr. Douglas) was premier of Saskatchewan. I do not think that that former premier of Saskatchewan—he was also a former leader of the NDP—ever asked Ottawa for permission for anything he wanted to do while he was premier. I do not think Ottawa stopped him from implementing social programs.

Mr. Benjamin: Right! He forced Ottawa to get into them.

Mr. Breau: It would be good if other provincial premiers would do the same. If they were a little more positive and stopped bitching, they might solve their problems.

• (2130)

Mr. Alexander: Explain.

Mr. Breau: When his government decided to implement the hospital insurance program, they did not wait for Ottawa; they went ahead and implemented it.

[*Translation*]

In the social and economic fields, the provinces do not have to wait for Ottawa's approval. They do not have to blame Ottawa, if they do not try and solve the problems which are their responsibility.

Mr. Speaker, it has become a habit, particularly in Quebec—and the hon. member for Papineau mentioned it before and I should have liked the hon. member for Sainte-Marie (Mr. Valade) to mention it too—for the federal government to serve as a smoke-screen, a scapegoat, to conceal all the problems. As soon as something goes wrong, it is Ottawa's fault.

As the hon. member for Winnipeg North said before, how many premiers have, for the last two years, tried to say that the economic policy of the government has been a handicap in federal-provincial relations? How many premiers answered, when they had problems: Let us blame the federal government anti-inflationary economic policy?

Mr. Speaker, Ottawa has become the scapegoat; instead of solving their own problems, the provinces simply blame the federal government.

Mr. Speaker, I could also speak of the New Democratic Party, but I would like to be as brief as possible.

I simply want to say that many members of this House, who sit on various committees, do not always respect the rights of provinces when talking of Canadian politics. To give only one example, yesterday, the leader of the NDP (Mr. Lewis) asked the Minister of the Environment (Mr. Davis) a question concerning the decision of the province of Quebec to grant a licence to a lumber company.

Is the hon. member for York South not intelligent enough to know that this is a decision which comes under provincial jurisdiction? He knew this very well, Mr. Speaker. And yet, he asked this question, as can be seen on page 3341 of *Hansard*, thinking that the Minister of the Environment would say to Quebec, like a grandfather or a big brother: No, do not grant a licence to the ITT Rayonier Company. Do not do that. Grandfather Ottawa keeps an eye on everything. This is the concept of federalism of the hon. member for York South, and probably that of the New Democratic Party.

The way they see it, when it comes to resources development they tell the provinces: Hold on because we in Ottawa are more qualified.

Yet, in the field of foreign investment they are siding with the provinces this evening. I doubt if a single province shares their views on that point, even Saskatchewan and Manitoba.

Mr. Speaker, absolutely nothing prevents the provinces from deciding which measures are good from the political and economic point of view and from telling companies which develop resources: You must use those resources so that the people in the provinces will benefit from them.

For instance, there are mining operations in my area in northeastern New Brunswick. Right now the government allows Brunswick Mines—a wholly owned subsidiary of Noranda Mines Limited—to export pure zinc to Europe. Should the federal government be blamed for that? Is the federal government going to suggest to the province to stop disposing of its own resources in that way? This example shows that when a province has the will, it can find the way.

In the field of welfare, is it the federal government which has introduced very far-sighted social programs supported by many members in this House, such as Opportunities for Youth and the Local Initiatives program. Why were they not initiated by the provinces? What was holding back the province of Quebec—the hon. member for Sainte-Marie (Mr. Valade) said that Ottawa was preventing the province of Quebec from introducing social programs—from introducing community development programs, employment programs for the have-nots in environmental improvement projects, training programs of all kinds; including social welfare programs such as the one administered by the minister of National Health and Welfare (Mr. Munro) to which Ottawa will contribute 50 per cent. No. They just say that Ottawa interferes with provincial affairs.

For myself, Mr. Speaker, I see two sides to the matter of social services. There are, first, the grants given directly to individuals. In my opinion, it matters little to the person who receives it whether the cheque comes from Ottawa, Quebec, Fredericton, or Victoria.

Moreover, there is no provision in the constitution to prevent a province from levying taxes to cover the cost of additional programs. Why do they not do so?

On the other hand, nothing stops provinces from establishing real programs of social development, social motivation, or social commitment. Why do they not do so?

[*English*]

The hon. member for Fraser Valley West should listen to the translation, because I do not think he understands what I am saying.

[*Translation*]

I do not know whether it is because of lack of competence—

• (2140)

[*English*]

Mr. Rose: Mr. Speaker, I should like to pose a question to the hon. member.

The Acting Speaker (Mr. Boulanger): Order, please. The hon. member for Fraser Valley West (Mr. Rose) rises for the purpose of asking a question.

Mr. Rose: I was wondering—

The Acting Speaker (Mr. Boulanger): Order, please. The hon. member who has the floor has not agreed to accept a question.

[*Translation*]

Mr. Breau: When the hon. member has the floor I listen to him and I would like the same courtesy extended to me. Let the hon. member resume his seat and try to understand what I am saying instead of interjecting to distort my comments.

Mr. Speaker, nothing is preventing the provinces in the field of social development from—

[*English*]

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

Mr. Deputy Speaker: Order, please. Is the hon. member rising on a question of privilege?

Mr. Rose: Mr. Speaker, after I attempted to ask a question, the hon. member for Gloucester (Mr. Breau) cast reflections on my intelligence. Since he has asked several rhetorical questions about why the provinces of Canada did not get extra benefits—

Mr. Deputy Speaker: Order, please.

Mr. Rose: —I wonder if he would answer his own question—

Mr. Deputy Speaker: Order, please. The hon. member for Gloucester (Mr. Breau).

Mr. Breau: Mr. Speaker, I cannot understand the attitude of the NDP when somebody tries to respond to their problems. Maybe they are so accustomed to being ignored that we should continue to ignore them. Any time I try to rise, the hon. member for Fraser Valley West—

Mr. Alexander: He doesn't like you.

Mr. Breau: —tries to stop me from speaking. I think I am allowed the allotted time to speak, as is any other member.

Some hon. Members: Hear, hear!

Mr. Alexander: How much time?

Mr. Breau: If the hon. member can't stand the heat, he should walk out. Nobody will miss him.

[*Translation*]

Mr. Speaker, I simply said that in the social and economic field absolutely nothing is preventing the provinces from setting their own priorities, from determining what should be done with both their financial and mineral resources.

I will conclude by saying that this government and the Department of Regional Economic Expansion are an illustration of how the federal government is simply using its taxing and spending power to put funds at the provinces' disposal when they have set their priorities, have planned and have worked at the preparation of projects.

This is an example of our federalism and I do not believe that too many countries can boast of having anything similar.

Mr. Henry Latulippe (Compton): Mr. Speaker, I am pleased to take part in the debate on the motion presented by the hon. member for Roberval (Mr. Gauthier), which is so interesting that all hon. members would like to talk on it to the extent that we have been practically deprived of our time in favour of others. It is a little like finance, which deprives us of everything.

Mr. Speaker, we wish to talk about Social Credit and the economy. We talk about an economic not a political matter. While all hon. members, particularly on the government side, talk about political questions only, we of the Social Credit limit ourselves to the economy and the autonomy of the provinces.

Autonomy is the right to administer one's self, to adopt one's own laws and to enact one's own regulations. The provinces are not satisfied, because they have become beggars.

Social Credit wants autonomy not only for the provinces but also for the municipalities, for the family and for the individual. This makes the big difference between Social Credit and the various forms of socialism. They both want a reform that guarantees the economic security and the satisfaction of temporal needs, but Social Credit wants each person to keep the right to dispose of himself, whereas socialism wants the state to dispose of them.

That is what we have now with the Liberal party because it has become a socialist organism in a proportion of nearly 100 per cent.

It is very nice to call the family the essential cell of society, to tell parents that they are their own masters at home, to remind everyone that the family must have an opportunity to bloom; but if there is nothing on the table, if access to the products is not related to the number of mouths to be fed instead of the work imposed, the very concept of the family entity is annihilated.

Mr. Speaker, the same applies to the autonomy of the provinces. We certainly have provinces that are rich in human resources and raw materials but also in ideals. And when thousands of young people and almost as many family heads are reduced to destitution in the face of unused wealth, where then is the autonomy? Where is the right of the provinces to legislate themselves with a view to putting the wealth of the province at the disposal of its citizens?

What keeps the governement from placing the fruit of the soil, forests, rivers, sea and mines at the service of the families that are deprived of the most basic things? The lack of the essential element, token money, to which the Minister of Finance (Mr. Turner) referred today.

Here we have a province—Quebec—with a production which meets the needs of some 6 million in habitants, 5 million of whom are leading a very modest way of life.

Federal-Provincial Relations

[*English*]

Mr. Deputy Speaker: Order, please. The hon. member for Vancouver Quadra (Mr. Deachman) rises a point of order.

Mr. Deachman: I rise on a point of order, Mr. Speaker, because I believe there has been some misunderstanding regarding the division of time. If there is unanimous consent, I wonder if the hon. member who now has the floor might be permitted to continue until not later than five minutes to ten in order that he may finish his speech, inasmuch as his party moved the motion which the House is debating.

Some hon. Members: Agreed.

Mr. Deputy Speaker: Hon. members have heard the hon. member for Vancouver Quadra (Mr. Deachman). Is it agreed that the Chair shall see the clock at 9.55 p.m.?

Some hon. Members: Agreed.

[*Translation*]

Mr. Latulippe: Mr. Speaker, I wish to thank the hon. members for having complied with this request, and having been fair enough to allow me to proceed.

If a province is not permitted to make laws for the distribution of the accumulated production so as to meet the needs of all its people, how autonomous is it?

And if the province can only correct the situation by taking something away from some people to give it to others and letting glut go to waste, where is its autonomy? It is a simple matter of money, as some people may say, but we are not responsible for making it so, the system is.

If the government responsible for the common good only had to face the facts, the only requirement would be to meet the needs of the people, and the question of money would not arise.

However, financial regulations complicate the whole situation and cripple the provincial governments most set on autonomy as well as the federal government. Mankind has needs because the Creator wanted it so, and as long as a government is short of money and is unable to cope with the problem, there is no autonomy for the crippled government, for the deprived family, for the individual, who must accept anything or die from hunger.

This afternoon, Mr. Speaker, the Minister of Regional Economic Expansion (Mr. Marchand) asked us to open our eyes and to quote figures to prove that this government has done much to balance the economy in a normal and satisfactory fashion.

So, I have before me a copy of the estimates from 1953 to 1973. You can see all the deficits accumulated over that period by the two parties which have in turn been in office, that is the Progressive Conservatives and the Liberals. In 1955, there was a first deficit, and this has lasted until now. In fact, we will have a deficit of about three billions in 1973. And for the last score, we have had deficits 18 years out of 20. But they will tell us that we have a sound administration, that we should produce figures and get down to bed-rock. This is precisely what we are doing.

[Mr. Latulippe.]

Can we go on governing with deficits? Can we go on leaving all the provinces reduced to beggary in our deficit system? Are we right to want to develop a financial system capable of bringing our economy back into balance?

The hon. Minister of Regional Economic Expansion asked us to give him figures. I shall give him figures, and they are the government's own official statistics.

Here is a list of deficits for the past twelve years: 1961-62, $791 million; 1962-63, $692 million; 1963-64, 619 million; 1964-65, $38 million; 1965-66, $39 million; 1966-67, $422 million; 1967-68, $795 million; 1968-69, $576 million; 1969-70, $393 million; 1970-71, $370 million; 1971-72, $750 million; 1972-73, $800 million.

The net debt on March 31, 1970, was $16,943 million, and on March 31, 1971, of $17,360 million. On March 31, 1972 it was $17,922,400,000.

The net debt increase was $421 million in 1967, $794 million in 1968, $576 million in 1969, $392 million in 1970, $417 million in 1971, $552 million in 1972. This is the type of administration considered as being fine, condensed, balanced, and honest by the minister.

Mr. Speaker, the interest on the debt—

An hon. Member: You distort the facts.

Mr. Latulippe: I am not distorting facts; these are official figures.

The interest on the debt in 1970-71 was $1,880 million, or $5,150,684 per day; in 1971-72, it will be $2,030 million or $5,561,643 per day; in 1972-73, it will be $2,260 million or $6,191,000 per day. These are figures that the minister should know and study.

The minister should go a little further into things because his logics are definitely lacking when he asks that we provide him with statistics. These statistics that I am giving him are authentic because they come from Statistics Canada.

Mr. Speaker, if we had a creditiste government in Ottawa, it would see to it that money and credit issues be proportional to available goods. Instead of using these issues itself it would distribute them in block to the provincial governments proportionately to the population, leaving these governments free to dispose of them as they wish.

Provincial autonomy would be respected as well as family and personal autonomy. It would be respected in social credit provinces but ignored by the Socialist provinces. It is up to the citizens of each province to look after their own future.

Mr. Speaker, the main responsibility of a government is to remove any obstacles in order to allow the lower level administrations to handle their own affairs. This, the government is not doing now. The main obstacle is a financial one and the main responsibility of the government is to have that obstacle removed. Thereafter, its interventions will no longer be required often. The members of the Social Credit party do understand it because, their idea is that the financial obstacle is unjustifiable—

The Acting Speaker (Mr. Honey): Order, please. It being after 9.45 o'clock p.m., it is my duty, in accordance with section (10) of Standing Order 58, to interrupt these proceedings and forthwith put every question necessary to dispose of any item of business relating to supply before the House, including any bill or bills thereon.

Consequently, the first question is the following:

• (2150)

[*English*]

MOTION FOR CONCURRENCE IN VOTE 1, DEPARTMENT OF COMMUNICATIONS

Mr. Deputy Speaker: The question is the following one; the hon. President of the Treasury Board (Mr. Drury) moves:

That Vote 1, in the amount of $16,324,000 of the Department of Communications for Communications—operating expenditures for the fiscal year ending March 31, 1973 (less the amount voted in Interim Supply) be concurred in.

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. My point of order is based primarily on two parts of Standing Order 58 which is the standing order that governs our supply procedure. Standing Order 58(4)(a) reads, in part:

Twenty-four hours' written notice shall be given of an opposition motion on an allotted day or of a notice to oppose any item in the estimates.

Immediately under item No. 1 on page vii of today's order paper, which Your Honour has just read, is a notice of opposition in the name of my colleague, the hon. member for Comox-Alberni (Mr. Barnett). This notice was filed on June 19 in accordance with the provisions of Standing Order 58(4)(a), a portion of which I read just a moment ago. I may point out that there are many such notices of opposition on the order paper that is before us tonight, but the points I wish to make with respect to this one apply to all of the others, with the exception of three of them.

The notice that was given by the hon. member for Comox-Alberni in relation to item No. 1 which, of course, is before us quite properly because it was given at least 24 hours in advance, was accepted by the Table and is on the order paper. I now draw Your Honour's attention also to Standing Order 58(8) which reads as follows:

Opposition motions shall have precedence over all government supply motions on allotted days and shall be disposed of as provided in sections (9), (10) and (11) of this order.

When one reads sections (9), (10) and (11) of this order, and I do not think it is necessary for me to do so, he finds references therein to opposed items in the estimates.

My principal point of order is this: With the hon. member for Comox-Alberni having given notice of opposition to an item in the estimates, he has the right under Standing Order 58(8) to have his notice of opposition given precedence. However, the President of the Treasury Board (Mr. Drury) subsequently put down a government notice of motion for the approval of a certain item in the estimates. The fact Your Honour has called that motion first means that it is being given precedence over the notice of opposition presented by my colleague, the hon. member for Comox-Alberni.

Perhaps I might be permitted a word of explanation. I know this is not a time for debate and that one has to stick to procedure, but in the notice of motion given by the hon. member for Comox-Alberni he asks that the amount of money under Vote 1 of the Department of Communications, Information branch, be a sum not exceeding $61,000. His reason was that that is approximately one quarter of the amount that is provided for information under the Department of Communications, as will be found on page 3-8 of the blue book of estimates where the figure is given as $244,000.

What my hon. friend wanted this House to do was vote on the reduction of that $244,000 for the information branch in this particular department to $61,000. He placed that notice of motion first. I claim for him the provisions of Standing Order 58(8), but instead Your Honour has now read to us the motion in the name of the President of the Treasury Board which asks us to vote yes or no on a sum of $16,324,000, which is the entire amount of Vote 1 in the estimates of the Department of Communications. What is the value of the Standing Order giving a member the right to give notice of opposition, a right which has been recognized by his notice being put on the order paper, if instead of having the chance to vote on reducing $244,000 to $61,000, we are being asked to vote yes or no on the sum of $16,324,000? I suggest this is making a mockery of such rights as remain to us for the voting of supply as set out in Standing Order 58.

• (2200)

I point out that this is the first time the issue has arisen in this form. In previous sessions, since the new supply procedures came into effect, we have on a number of occasions given notice of opposition to certain votes or items in their entirety. There are three such notices of opposition on the order paper tonight. One is number three, in the name of the hon. member for Vancouver-Kingsway (Mrs. MacInnis); one is No. 42, which is against the Senate and is in my name, and the third is No. 74 in the name of the hon. member for Cape Breton-The Sydneys (Mr. Muir). Each of those three, as I say, is a notice of opposition to the entire amount of an estimate. We have done this in previous sessions and it is quite true that in those sessions our notices of opposition to entire items were countered in each case by a notice of motion by the President of the Treasury Board in favour of an entire item.

Your Honour may ask why we did not raise objection at that time. The answer is that it did not make any difference; instead of our voting to eliminate an item we voted against a motion to pass an item. But tonight, for the first time since this procedure came into effect, we are faced with a different situation because what we are asking for now is not the right to vote against an entire item—we shall get that in the three cases I have cited—but for the right to vote for or against the reduction in the amount of an item. In the case of the first one, as I have made clear, the hon. member for Comox-Alberni has asked the House to vote for a notice of opposition under which he seeks to cut the amount of an item under the Department of Com-

munications, namely, $240,000 down to $61,000. Instead, however, Your Honour has put a motion which calls upon the House to vote yes or no on an item of $16,324,000.

My point of order is that before you put the motion in the name of the President of the Treasury Board, Your Honour should be putting the notice of motion in the name of the hon. member for Comox-Alberni because under Standing Order 58 opposition motions on opposition days take precedence over government supply motions.

Some hon. Members: Hear, hear!

Mr. Brewin: Mr. Speaker, I merely wish to support very briefly the procedural argument put forward by the hon. member for Winnipeg North Centre. I wish to base my argument less on the procedural aspect and more on the grounds of common sense.

Mr. Bell: What rule is that?

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please. The Chair would like to hear the hon. member for Greenwood.

Mr. Brewin: I wish to base my argument on the premise that the rules of the House should make sense and should enable hon. members to perform one of their essential, historic functions which is to control the expenditure of the taxpayers dollar.

I wish to give an illustration. Item No. 29 in today's Routine Proceedings gives notice of opposition to voting more than $30 million on the NORAD defence system, an active defence system which has been obsolete for ten years.

Mr. Deputy Speaker: Order. With respect, I have to caution hon. members that they should stay strictly within the bounds of the procedural question we have before us.

Mr. Brewin: If Your Honour would permit me to finish my sentence you would see its relevance to the procedural point. I would say that the amount saved to the exchequer would be $120 million, but presumably we are being restricted to voting only on the motion of the President of the Treasury Board that the whole of vote five for National Defence, amounting to $1,448 million, the total operating expenditure on our armed forces, be approved. If the ruling is against what has been urged by the hon. member for Winnipeg North Centre I, and other hon. members of the House, will be deprived of our right to object to an expenditure which is unnecessary or wasteful; we will not be allowed to strike out a clearly wasteful expenditure without voting to strike out the whole of a large item comprising vast expenditures upon the armed forces.

I urge upon you, Mr. Speaker, that there is a basic rule when interpreting any procedural or legal provision, that is, it should be interpreted so as to make sense, not nonsense.

Some hon. Members: Hear, hear!

Mr. Lewis: Mr. Speaker, as everyone who has ever participated in any assembly or had anything to do with the law knows, procedural points, procedural provisions, or procedural arguments, always attach themselves to very important substantive considerations. We are not raising these procedural arguments merely for the sake of doing so. The hon. member for Winnipeg North Centre has not raised this point merely to make a speech, to give hon. members opposite an opportunity to chatter while the discussion goes on. We raise this procedural argument because in our view the provisions which now govern the work of the House of Commons in connection with estimates make a mockery of members of this House.

Some hon. Members: Hear, hear!

Mr. Lewis: They make the applications of the rules meaningless as far as our ancient role of exerting surveillance over government expenditure is concerned. It is, in my opinion, totally absurd that hon. members should be prohibited from voting against an expenditure which they consider to be wrong and wasteful, and to be placed in the position of voting against a total item which includes expenditures they may very well support. But this is what the rule brings us to do. This is why the hon. member for Winnipeg North Centre raised this procedural argument. He appeals to you, as I do, that you apply subsection eight of rule 58 which clearly states that opposition motions shall take precedence over all government supply motions on allotted days. Our motions of opposition have precedence. The members of this House have a right as well as a duty to vote against what they consider to be wasteful expenditure without being placed in the position of opposing an entire item which contains expenditures they support.

I want to tell you, Mr. Speaker, members of the House and everyone else, that if your ruling should place us in the untenable position, in the ridiculous position, in the unfair position of having to vote against an entire item because we do not possess the rights we should possess to vote against a portion of an item to which we are opposed, then we shall have no alternative but to vote against the entire item, and to keep voting against item after item after item unless there is some common sense in the rules as applied to us.

• (2210)

Mr. Deputy Speaker: Order, please. The Chair has to rule on the point of order raised by the hon. member for Winnipeg North Centre (Mr. Knowles) in respect of which the hon. member for Greenwood (Mr. Brewin) and the hon. member for York South (Mr. Lewis) have submitted argument. I might deal first with the argument of the hon. member for York South who has just resumed his seat. I think hon. members will acknowledge that the Chair has the responsibility of carrying out the Standing Orders, the precedents and decisions which are binding upon the Chair. The hon. member for York South has argued very well, but with respect I think he has not argued about the responsibilities of the Chair. He has really been arguing that if the Chair rules against him he will have to take certain other action. Of course, under the Standing Orders, that is his right. I do not wish to comment upon whether the Standing Orders and practices are fair and just. My comment is that the Chair must be guided by the

Standing Orders, precedents and practices of the House. That is the basis on which I have to make my decision.

The hon. member for Winnipeg North Centre, who introduced the point of order, has argued that Item No. 1, the notice of opposition in the name of the hon. member for Comox-Alberni (Mr. Barnett), should take precedence over the motion in the name of the President of the Treasury Board (Mr. Drury). It seems to the Chair that in his argument the hon. member for Winnipeg North Centre spelled out the distinctions on which I must base my ruling. He referred to Standing Order 58(4)(a), among others, and I will read the part referred to by the hon. member:

Twenty-four hours' written notice shall be given of an opposition motion on an allotted day—

I want to emphasize this because it then reads:

—or of a notice to oppose any item in the estimates.

With respect, I think one must make this differentiation between a motion and a notice to oppose, because that is made quite clear in the Standing Order to which the hon. member for Winnipeg North Centre referred. I would agree with the hon. member for Winnipeg North Centre if he could convince me that the notice of opposition standing in the name of the hon. member for Comox-Alberni is, in fact, a motion. In my respectful submission it is not a motion, and I think this is clear from the Standing Order to which I have referred. It is a notice of opposition and is not, in fact, a motion, and that is quite clear from the Standing Order.

The hon. member referred to page vii of *Routine Proceedings and Orders of the Day,* and we find that the heading there is "Opposed Items in the Estimates". Again referring to Standing Order 58(4)(a), in my respectful submission what the hon. member for Comox-Alberni has set down is a notice to oppose an item, not a motion.

In conclusion, because I think it would be helpful to go back to the history of the standing order, I might refer hon. members to *House of Commons Journals,* 1968-69 at page 429, being the report of the Special Committee on Procedure of the House, specifically the third report of the said committee. Then, turning to page 431 we find under paragraph (i) the following, and I will take a moment to read this:

The final decisions in relation to the main estimates of each department of government would be held over until the end of the third supply period so that the opportunity to debate any department would remain open throughout the session. A Member wishing to vote against an estimate would be required to give notice, and motions for the adoption of unopposed estimates could be consolidated into a single question.

Indeed, that is the situation we have before us. The hon. member for Comox-Alberni has given notice that he would like to oppose a particular item and vote against it. Having given that notice, the estimate is put in the form of a motion to the Chamber, at which time hon. members have the right to vote for or against it.

I make this ruling on what I think is the plain and clear meaning of the Standing Orders. If hon. members feel that the Standing Orders and our procedures are unfair, of course the remedy remains in the hands of hon. members. This is not something of which the Chair can take cognizance at this time. Therefore, with regret, I must rule

Division

against the point of order of the hon. member for Winnipeg North Centre.

The question is on vote 1. All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

The House divided on the motion (Mr. Drury) which was agreed to on the following division:

• (2220)

(*Division No. 30*)

YEAS

Messrs:

Allmand
Andras
Badanai
Barrett
Béchard
Benson
Blair
Blouin
Borrie
Boulanger
Breau
Buchanan
Caccia
Cafik
Cantin
Chappell
Chrétien
Clermont
Cobbe
Comtois
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Cyr
Danson
Davis
Deachman
Deakon
De Bané
Drury
Dubé
Dupras
Duquet
Éthier
Faulkner
Forest
Forget
Foster
Francis
Gendron
Gervais
Gibson
Gillespie
Gray
Guay (St. Boniface)
Guilbault
Haidasz
Hopkins
Howard (Okanagan Boundary)
Hymmen
Jerome
Kaplan
Lachance
Lajoie
Lang (Saskatoon-Humboldt)
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (Lac-Saint-Jean)
L'Heureux
Loiselle
MacEachen
MacGuigan
Mackasey
McBride
Mahoney
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Morison
Munro
O'Connell
Olson
Orange
Osler
Otto
Ouellet
Pepin
Portelance
Prud'homme
Reid
Richard

Division

Messrs:

Richardson
Roberts
Robinson
Rochon
Roy (Laval)
Serré
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Sullivan
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Wahn
Walker
Watson
Weatherhead
Whelan
Whiting—113.

NAYS

Messrs:

Aiken
Alexander
Alkenbrack
Beaudoin
Bell
Benjamin
Blackburn
Brewin
Broadbent
Burton
Carter
Crouse
Danforth
Diefenbaker
Dionne
Douglas
Fairweather
Flemming
Fortin
Gauthier
Gilbert
Gleave
Godin
Grills
Hales
Harding
Horner
Howe
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Bellechasse)
Latulippe
Lewis
Lundrigan
MacDonald (Egmont)
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacKay
MacLean
Macquarrie
McCleave
McGrath
McKinley
McQuaid
Mather
Matte
Mazankowski
Monteith
Murta
Nesbitt
Noble
Nowlan
Orlikow
Peddle
Peters
Ritchie
Rock
Rodrigue
Rondeau
Rose
Rowland
Ryan
Schumacher
Scott
Simpson
Southam
Stewart (Marquette)
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Valade
Woolliams—71.

• (2240)

Mr. Speaker: I declare the motion carried.

MOTION FOR CONCURRENCE IN VOTE 10, DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 10, in the amount of $10,401,000 of the Department of Consumer and Corporate Affairs for Corporate Affairs—program expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

[Mr. Deputy Speaker.]

Mr. Speaker: Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

• (2250)

The House divided on the motion (Mr. Drury) which was agreed to on the following division:

(Division No. 31)

YEAS

Messrs:

Allmand
Andras
Badanai
Barrett
Béchard
Benson
Blair
Blouin
Borrie
Boulanger
Breau
Buchanan
Caccia
Cafik
Cantin
Chappell
Chrétien
Clermont
Cobbe
Comtois
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Cyr
Danson
Davis
Deachman
Deakon
De Bané
Drury
Dubé
Dupras
Duquet
Éthier
Faulkner
Forest
Forget
Foster
Francis
Gendron
Gervais
Gibson
Gillespie
Gray
Guay (St. Boniface)
Guilbault
Haidasz
Hopkins
Howard (Okanagan Boundary)
Hymmen
Jerome
Kaplan
Lachance
Lajoie
Lang (Saskatoon-Humboldt)
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (Lac-Saint-Jean)
L'Heureux
Loiselle
MacEachen
MacGuigan
Mackasey
McBride
Mahoney
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Morison
Munro
O'Connell
Olson
Orange
Osler
Otto
Ouellet
Pepin
Portelance
Prud'homme
Reid
Richard
Richardson

Messrs:

Roberts
Robinson
Rochon
Roy (Laval)
Serré
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Sullivan
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudeau
Trudel
Turner (London-East)
Turner (Ottawa-Carleton)
Wahn
Walker
Watson
Weatherhead
Whelan
Whiting—113.

NAYS

Messrs:

Aiken
Alexander
Alkenbrack
Beaudoin
Bell
Benjamin
Blackburn
Brewin
Broadbent
Burton
Carter
Crouse
Danforth
Diefenbaker
Douglas
Fairweather
Flemming
Fortin
Gilbert
Gleave
Godin
Grills
Hales
Harding
Harkness
Horner
Howe
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Bellechasse)
Latulippe
Lewis
Lundrigan
MacDonald (Egmont)
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacKay
MacLean
Macquarrie
McCleave
McGrath
McKinley
McQuaid
Mather
Matte
Mazankowski
Monteith
Murta
Nesbitt
Noble
Nowlan
Orlikow
Peddle
Peters
Ritchie
Rock
Rodrigue
Rondeau
Rose
Rowland
Ryan
Schumacher
Scott
Simpson
Southam
Stewart (Marquette)
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Valade
Woolliams—70.

• (2300)

Mr. Speaker: I declare the motion carried.

MOTION FOR CONCURRENCE IN VOTE 25, DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 25, in the amount of $469,000 of the Department of Consumer and Corporate Affairs for Prices and Incomes Commission—Program Expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

Division

Mr. Speaker: Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

The House divided on the motion (Mr. Drury) which was agreed to on the following division.

• (2310)

(*Division No. 32*)

YEAS

Messrs:

Allmand
Andras
Badanai
Barrett
Béchard
Benson
Blair
Blouin
Borrie
Boulanger
Breau
Buchanan
Caccia
Cafik
Cantin
Chappell
Clermont
Cobbe
Comtois
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Cyr
Danson
Davis
Deachman
Deakon
De Bané
Drury
Dubé
Dupras
Duquet
Éthier
Faulkner
Forest
Forget
Foster
Francis
Gendron
Gervais
Gibson
Gillespie
Gray
Guay (St. Boniface)
Guilbault
Haidasz
Hopkins
Howard (Okanagan Boundary)
Hymmen
Jerome
Kaplan
Lachance
Lajoie
Lang (Saskatoon-Humboldt)
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (Lac-Saint-Jean)
L'Heureux
Loiselle
MacEachen
MacGuigan
Mackasey
McBride
Mahoney
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Morison
Munro
O'Connell
Olson
Orange
Osler
Otto
Ouellet
Pepin
Portelance
Prud'homme
Reid
Richard
Richardson
Roberts
Robinson
Rochon
Roy (Laval)

Division

Messrs:

Serré
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Sullivan
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Wahn
Walker
Watson
Weatherhead
Whelan
Whiting—112.

NAYS

Messrs:

Aiken
Alexander
Alkenbrack
Beaudoin
Bell
Benjamin
Blackburn
Brewin
Burton
Carter
Crouse
Danforth
Diefenbaker
Douglas
Fairweather
Flemming
Fortin
Gilbert
Gleave
Godin
Grills
Hales
Harding
Horner
Howe
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Latulippe
Lewis
Lundrigan
MacDonald (Egmont)
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacKay
MacLean
Macquarrie
McCleave
McGrath
McKinley
McQuaid
Mather
Mazankowski
Murta
Nesbitt
Noble
Nowlan
Orlikow
Peddle
Peters
Ritchie
Rock
Rodrigue
Rondeau
Rose
Rowland
Ryan
Rynard
Schumacher
Scott
Simpson
Southam
Stewart (Marquette)
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Valade
Woolliams—66.

• (2320)

Mr. Speaker: Does the hon. member for Gander-Twillingate (Mr. Lundrigan) rise on a question of privilege?

Mr. Lundrigan: In view of the fact that it is now 11.30, would hon. members agree to a hunger strike instead of a continuation of this voting procedure?

MOTION FOR CONCURRENCE IN VOTE 1, ENERGY, MINES AND RESOURCES

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 1, in the amount of $5,960,000 of the Department of Energy, Mines and Resources for administration—program expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

[Mr. Speaker.]

Mr. Speaker: Is it the pleasure of the House to adopt the said motion? All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

The House divided on the motion (Mr. Drury) which was agreed to on the following division.

• (2330)

(Division No. 33)

YEAS

Messrs:

Allmand
Andras
Badanai
Barrett
Béchard
Benson
Blair
Blouin
Borrie
Boulanger
Breau
Buchanan
Caccia
Cafik
Cantin
Chappell
Chrétien
Clermont
Cobbe
Comtois
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Cyr
Danson
Davis
Deachman
Deakon
De Bané
Drury
Dubé
Dupras
Duquet
Éthier
Faulkner
Forest
Forget
Foster
Francis
Gendron
Gervais
Gibson
Gillespie
Gray
Guay (St. Boniface)
Guilbault
Haidasz
Hopkins
Howard (Okanagan Boundary)
Hymmen
Kaplan
Lachance
Lajoie
Lang (Saskatoon-Humboldt)
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (Lac-Saint-Jean)
L'Heureux
Loiselle
MacEachen
MacGuigan
Mackasey
McBride
Mahoney
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Morison
Munro
O'Connell
Olson
Orange
Osler
Otto
Ouellet
Pepin
Portelance
Prud'homme
Reid
Richard
Richardson

Messrs:

Roberts
Robinson
Rochon
Roy (Laval)
Serré
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Sullivan
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Wahn
Walker
Watson
Weatherhead
Whelan
Whiting—112.

NAYS

Messrs:

Aiken
Alexander
Alkenbrack
Beaudoin
Bell
Benjamin
Blackburn
Brewin
Broadbent
Burton
Carter
Crouse
Danforth
Diefenbaker
Douglas
Fairweather
Flemming
Fortin
Gilbert
Gleave
Godin
Grills
Hales
Harding
Howe
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Bellechasse)
Latulippe
Lewis
Lundrigan
MacDonald (Egmont)
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacKay
MacLean
Macquarrie
McCleave
McGrath
McKinley
McQuaid
Mather
Mazankowski
Murta
Nesbitt
Noble
Nowlan
Orlikow
Peddle
Peters
Ritchie
Rock
Rodrigue
Rondeau
Rose
Rowland
Ryan
Scott
Simpson
Southam
Stewart (Marquette)
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Valade
Woolliams—65.

• (2340)

Mr. Speaker: I declare the motion carried.

Mr. Bell: Mr. Speaker, I rise on a point of order. For those who want to use up our energy, I should like to point out that we have finished the fourth vote and there are 85 more to go.

[*Translation*]

Mr. De Bané: Mr. Speaker—

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

Mr. Pierre De Bané (Matane): Yes, Mr. Speaker.

Division

I would like to move, with unanimous consent, that for the purpose of the present sitting, if other votes are necessary, we forget about the 15 minutes' notice.

[*English*]

Mr. Speaker: The hon. member is proposing a motion. I do not know whether it is under Standing Order 43 or some other Standing Order. When we reach 11.30 tomorrow morning that motion might become in order.

MOTION FOR CONCURRENCE IN VOTE 5, DEPARTMENT OF ENERGY, MINES AND RESOURCES FOR MINERAL AND ENERGY RESOURCES

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 5, in the amount of $35,557,000 of the Department of Energy, Mines and Resources for Mineral and Energy Resources—Program expenditures for the fiscal year ending March 31, 1973 (less the amount voted in Interim Supply) be concurred in.

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

Some hon. Members: Agreed.

Mr. Speaker: All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Call in the members.

The House divided on the motion (Mr. Drury) which was agreed to on the following division:

• (2350)

(Division No. 34)

YEAS

Messrs:

Allmand
Andras
Badanai
Barrett
Béchard
Benson
Blair
Blouin
Borrie
Boulanger
Breau
Buchanan
Caccia
Cafik
Cantin
Chappell
Chrétien
Clermont
Cobbe
Comtois
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Cyr
Danson
Deachman
Deakon
De Bané
Drury
Dubé
Dupras
Duquet
Éthier
Faulkner

Division

Messrs:

Forest
Forget
Foster
Francis
Gendron
Gervais
Gibson
Gillespie
Guay (St. Boniface)
Guilbault
Haidasz
Hopkins
Howard (Okanagan Boundary)
Hymmen
Kaplan
Lachance
Lajoie
Lang (Saskatoon-Humboldt)
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (Lac-Saint-Jean)
L'Heureux
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
Mackasey
McBride
Mahoney
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Morison
Munro
O'Connell
Olson
Orange
Osler
Otto
Ouellet
Pepin
Portelance
Prud'homme
Reid
Richard
Richardson
Roberts
Robinson
Rochon
Roy (Timmins)
Roy (Laval)
Serré
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Sullivan
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Wahn
Walker
Watson
Weatherhead
Whelan
Whiting—112.

NAYS

Messrs:

Aiken
Alexander
Alkenbrack
Beaudoin
Bell
Benjamin
Blackburn
Brewin
Broadbent
Burton
Carter
Crouse
Danforth
Deifenbaker
Douglas
Fairweather
Fortin
Gilbert
Gleave
Godin
Grills
Hales
Harding
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Latulippe
Lewis
Lundrigan
MacDonald (Egmont)
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacKay
MacLean
Macquarrie
McCleave
McGrath
McKinley
McQuaid
Mather
Mazankowski
Murta
Nesbitt
Noble
Nowlan
Orlikow
Peddle
Peters
Ritchie
Rock
Rodrigue
Rondeau
Rose
Rowland
Ryan
Rynard
Schumacher
Scott
Simpson
Southam
Stewart (Marquette)
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Valade
Woolliams—64.

[Mr. Speaker.]

• (2400)

Mr. Deputy Speaker: I declare the motion carried.

MOTION FOR CONCURRENCE IN VOTE 15, DEPARTMENT OF ENERGY, MINES AND RESOURCES

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 15, in the amount of $29,269,000 of the Department of Energy, Mines and Resources for Earth Sciences—program expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

Mr. Deputy Speaker: It is the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed to the said motion will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

• (0010)

(*Division No. 35*)

YEAS

Messrs:

Allmand
Andras
Badanai
Barrett
Béchard
Benson
Blair
Blouin
Borrie
Boulanger
Breau
Buchanan
Caccia
Cafik
Cantin
Chappell
Chrétien
Clermont
Cobbe
Comtois
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Cyr
Danson
Deachman
Deakon
De Bané
Drury
Dubé
Dupras
Duquet
Éthier
Faulkner
Forest
Forget
Foster
Francis
Gendron
Gervais
Gibson
Gillespie
Guay (St. Boniface)
Guilbault
Haidasz
Hopkins
Howard (Okanagan Boundary)
Hymmen
Kaplan
Lachance
Lajoie

Messrs:

Lang (Saskatoon-Humboldt)
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (Lac-Saint-Jean)
L'Heureux
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
Mackasey
McBride
Mahoney
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Morison
Munro
O'Connell
Olson
Orange
Osler
Ouellet
Pepin
Portelance
Prud'homme
Reid
Richard
Richardson
Roberts
Robinson
Rochon
Roy (Timmins)
Roy (Laval)
Serré
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Sullivan
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Wahn
Walker
Watson
Weatherhead
Whelan
Whiting—111.

NAYS

Messrs:

Aiken
Alexander
Alkenbrack
Beaudoin
Bell
Benjamin
Blackburn
Brewin
Broadbent
Burton
Carter
Crouse
Danforth
Diefenbaker
Douglas
Fairweather
Fortin
Gilbert
Gleave
Godin
Grills
Hales
Harding
Harkness
Howe
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Latulippe
Lewis
Lundrigan
MacDonald (Egmont)
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacKay
MacLean
Macquarrie
McCleave
McGrath
McKinley
McQuaid
Mather
Mazankowski
Murta
Nesbitt
Noble
Nowlan
Orlikow
Peddle
Peters
Ritchie
Rock
Rodrigue
Rondeau
Rose
Rowland
Ryan
Rynard
Schumacher
Scott
Simpson
Southam
Stewart (Marquette)
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Valade
Woolliams—66.

• (0020)

Mr. Deputy Speaker: I declare the motion carried.

Motion agreed to.

MOTION FOR CONCURRENCE IN VOTE 1, DEPARTMENT OF THE ENVIRONMENT

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 1, in the amount of $11,550,000 of the Department of the Environment for administration—program expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the motion (Mr. Drury) which was agreed to on the following division:

• (0030)

(*Division No. 36*)

YEAS

Messrs:

Allmand
Andras
Badanai
Barrett
Béchard
Benson
Blair
Blouin
Borrie
Boulanger
Breau
Buchanan
Caccia
Cafik
Cantin
Chappell
Chrétien
Clermont
Cobbe
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Cyr
Danson
Deachman
Deakon
De Bané
Drury
Dubé
Dupras
Duquet
Éthier
Faulkner
Forest
Forget
Foster

Division

Messrs:

Francis
Gendron
Gervais
Gibson
Gillespie
Guay (St. Boniface)
Guilbault
Haidasz
Hopkins
Howard (Okanagan Boundary)
Hymmen
Jerome
Kaplan
Lachance
Lajoie
Lang (Saskatoon-Humboldt)
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (Lac-Saint-Jean)
L'Heureux
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
Mackasey
McBride
Mahoney
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Morison
Munro
O'Connell
Olson
Orange
Osler
Ouellet
Pepin
Portelance
Prud'homme
Reid
Richard
Richardson
Roberts
Robinson
Rochon
Roy (Timmins)
Roy (Laval)
Serré
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Sullivan
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Wahn
Walker
Watson
Weatherhead
Whelan
Whiting—109.

NAYS

Messrs:

Aiken
Alexander
Alkenbrack
Beaudoin
Bell
Benjamin
Blackburn
Brewin
Broadbent
Burton
Carter
Crouse
Danforth
Diefenbaker
Douglas
Fairweather
Fortin
Gilbert
Gleave
Godin
Grills
Hales
Harding
Harkness
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Latulippe
Lewis
Lundrigan
MacDonald (Egmont)
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacKay
MacLean
Macquarrie
McCleave
McGrath
McKinley
McQuaid
Mather
Mazankowski
Murta
Nesbitt
Noble
Nowlan
Orlikow
Peddle
Peters
Ritchie
Rock
Rodrigue
Rondeau
Rose
Rowland
Ryan
Rynard
Schumacher
Scott
Simpson
Southam
Stewart (Marquette)
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Valade
Woolliams—65.

[Mr. Deputy Speaker.]

• (0040)

Mr. Speaker: I declare the motion carried.

• (0100)

MOTION FOR CONCURRENCE IN VOTE 5, DEPARTMENT OF THE ENVIRONMENT

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 5, in the amount of $90,868,286 of the Department of the Environment for environmental quality—operating expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

Mr. Speaker: Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

Some hon. Members: On division.

Mr. Speaker: I declare the motion carried on division.

Motion agreed to.

MOTION FOR CONCURRENCE IN VOTE 1, DEPARTMENT OF EXTERNAL AFFAIRS

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 1, in the amount of $79,506,000 of the Department of External Affairs for International Affairs—operating expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

Mr. Speaker: Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

The House divided on the motion (Mr. Drury) which was agreed to on the following division:

(Division No. 37)

YEAS

Messrs:

Andras
Badanai
Barrett
Béchard
Benson
Blair
Blouin
Borrie
Boulanger
Breau
Buchanan
Caccia
Cafik
Cantin
Chappell
Chrétien
Clermont
Cobbe
Comtois
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Cyr
Danson
Deachman
Deakon
De Bané
Drury
Dupras
Duquet
Éthier
Faulkner
Forest
Forget
Foster
Francis
Gendron
Gervais
Gibson
Gillespie
Guay (St. Boniface)
Guilbault
Haidasz
Hopkins
Howard (Okanagan Boundary)
Hymmen
Jerome
Kaplan
Lachance
Lajoie
Lang (Saskatoon-Humboldt)
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (Lac-Saint-Jean)
L'Heureux
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
Mackasey
McBride
Mahoney
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Morison
Munro
O'Connell
Orange
Osler
Ouellet
Pepin
Portelance
Prud'homme
Reid
Richard
Richardson
Roberts
Robinson
Rochon
Roy (Timmins)
Roy (Laval)
Serré
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Sullivan
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Wahn
Walker
Watson
Weatherhead
Whelan
Whiting—107.

NAYS

Messrs:

Aiken
Alexander
Beaudoin
Bell
Benjamin
Blackburn
Brewin
Broadbent
Burton
Carter
Crouse
Danforth
Diefenbaker
Douglas
Fairweather
Fortin
Gleave
Godin
Hales
Harding
Harkness
Howe
Knowles (Winnipeg North Centre)
Lambert (Bellechasse)
Latulippe
Lewis
Lundrigan
MacDonald (Egmont)
MacInnis (Cape Breton-East Richmond)
MacKay
MacLean
Macquarrie
McCleave
McGrath
McKinley
McQuaid
Mather
Mazankowski
Murta
Nowlan
Orlikow
Peddle
Peters
Ritchie
Rock
Rodrigue
Rondeau
Rose
Rowland
Ryan
Rynard
Schumacher
Scott
Simpson
Southam
Stewart (Marquette)
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Valade
Woolliams—60.

Division

• (0120)

Mr. Speaker: I declare the motion carried.

MOTION FOR CONCURRENCE IN VOTE 25, DEPARTMENT OF EXTERNAL AFFAIRS

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 25, in the amount of $11,691,000 of the Department of External Affairs for the Canadian International Development Agency—operating expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

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

Some hon. Members: On division.

Mr. Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

The House divided on the motion (Mr. Drury) which was agreed to on the following division:

Division

• (0130)

(Division No. 38)

YEAS

Messrs:

Allmand
Andras
Badanai
Barrett
Béchard
Benson
Blair
Blouin
Borrie
Boulanger
Breau
Buchanan
Caccia
Cafik
Cantin
Chappell
Chrétien
Clermont
Cobbe
Comtois
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Cyr
Danson
Deachman
Deakon
De Bané
Drury
Dupras
Duquet
Éthier
Faulkner
Forest
Forget
Foster
Francis
Gendron
Gervais
Gibson
Gillespie
Guay (St. Boniface)
Guilbault
Haidasz
Hopkins
Howard (Okanagan Boundary)
Hymmen
Jerome
Kaplan
Lachance
Lajoie
Lang (Saskatoon-Humboldt)
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (Lac-Saint-Jean)
L'Heureux
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
Mackasey
McBride
Mahoney
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Morison
Munro
O'Connell
Olson
Orange
Osler
Ouellet
Pepin
Portelance
Prud'homme
Reid
Richard
Richardson
Roberts
Robinson
Rochon
Roy (Timmins)
Roy (Laval)
Serré
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Sullivan
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Wahn
Walker
Watson
Weatherhead
Whelan
Whiting—110.

NAYS

Messrs:

Aiken
Alexander
Alkenbrack
Beaudoin
Bell
Benjamin
Blackburn
Brewin
Broadbent
Burton
Carter
Crouse
Danforth
Diefenbaker
Douglas
Fairweather
Fortin
Gilbert
Gleave
Godin
Grills
Harding
Harkness
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Bellechasse)
Latulippe
Lewis
MacDonald (Egmont)
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacKay
MacLean
Macquarrie
McCleave
McGrath
McKinley
McQuaid
Mather
Mazankowski
Murta
Nesbitt
Noble
Nowlan
Orlikow
Peddle
Peters
Ritchie
Rock
Rodrigue
Rondeau
Rose
Rowland
Ryan
Rynard
Schumacher
Scott
Simpson
Southam
Stewart (Marquette)
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Valade
Woolliams—64.

• (0140)

Mr. Speaker: I declare the motion carried.

MOTION FOR CONCURRENCE IN VOTE 1, DEPARTMENT OF FINANCE

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 1, in the amount of $8,673,000 of the Department of Finance for financial and economic policies—program expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

Mr. Speaker: Is it the pleasure of the House to adopt the said motion? All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it. I declare the said motion carried on division.

Motion agreed to.

MOTION FOR CONCURRENCE IN VOTE 10, DEPARTMENT OF FINANCE

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 10, in the amount of $246,000 of the Department of Finance for anti-dumping tribunal—program expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

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

Some hon. Members: On division.

Mr. Speaker: I declare the said motion carried on division.

Motion agreed to.

MOTION FOR CONCURRENCE IN VOTE 20, DEPARTMENT OF FINANCE

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 20, in the amount of $761,000 of the Department of Finance for insurance—program expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

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

Some hon. Members: On division.

Mr. Speaker: I declare the said motion carried on division.

Motion agreed to.

Mr. McCleave: Mr. Speaker, I rise on a point of order. I think the House is now of the opinion that in order that Your Honour's voice may be saved, it would be simpler if Your Honour called out the numbers preceding the votes. I think in this way hon. members could keep pace with Your Honour.

MOTION FOR CONCURRENCE IN VOTE 25, DEPARTMENT OF FINANCE

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 25, in the amount of $441,000 of the Department of Finance for Tariff Board—program expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

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

Some hon. Members: On division.

Mr. Speaker: I declare the said motion carried on division.

Motion agreed to.

MOTION FOR CONCURRENCE IN VOTE 1, DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 1, in the amount of $11,161,800 of the Department of Indian Affairs and Northern Development for administration—program expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

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

Some hon. Members: On division.

Mr. Speaker: The motion is carried on division.

Motion agreed to.

MOTION FOR CONCURRENCE IN VOTE 5, DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 5, in the amount of $227,338,000 of the Department of Indian Affairs and Northern Development for Indian and Eskimo Affairs—operating expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

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

Some hon. Members: On division.

Mr. Speaker: The motion is carried on division.

Motion agreed to.

MOTION FOR CONCURRENCE IN VOTE 20, DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Hon. C. M. Drury (President of the Privy Council) moved:

That vote 20, in the amount of $25,584,000 of the Department of Indian Affairs and Northern Development for northern development—operating expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

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

Some hon. Members: On division.

Mr. Speaker: The motion is carried on division.

Motion agreed to.

MOTION FOR CONCURRENCE IN VOTE 65, DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Hon. C. M. Drury (President of the Privy Council) moved:

That vote 65, in the amount of $27,598,900 of the Department of Indian Affairs and Northern Development for conservation—operating expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

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

Some hon. Members: On division.

Mr. Speaker: The motion is carried on division.

Motion agreed to.

MOTION FOR CONCURRENCE IN VOTE 1, DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE

Hon. C. M. Drury (President of the Privy Council) moved:

That vote 1, in the amount of $44,812,000 of the Department of Industry, Trade and Commerce for trade—industrial—operating

expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

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

Some hon. Members: On division.

Mr. Speaker: The motion is carried on division.

Motion agreed to.

• (0150)

MOTION FOR CONCURRENCE IN VOTE 20, DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 20, in the amount of $16,156,000 of the Department of Industry, Trade and Commerce for tourism—program expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

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

Some hon. Members: Agreed.

Some hon. Members: On division.

Mr. Speaker: I declare the said motion carried on division.

Motion agreed to.

MOTION FOR CONCURRENCE IN VOTE 25, DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 25, in the amount of $1,880,000 of the Department of Industry, Trade and Commerce for grains and oilseeds—operating expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

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

Some hon. Members: Agreed.

Some hon. Members: On division.

Mr. Speaker: I declare the said motion carried on division.

Motion agreed to.

MOTION FOR CONCURRENCE IN VOTE 45, DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 45, in the amount of $55,464,000 of the Department of Industry, Trade and Commerce for Statistics Canada—program expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

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

Some hon. Members: Agreed.

[Mr. Drury.]

Some hon. Members: On division.

Mr. Speaker: I declare the said motion carried on division.

Motion agreed to.

MOTION FOR CONCURRENCE IN VOTE 1, DEPARTMENT OF JUSTICE

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 1, in the amount of $15,907,000 of the Department of Justice for Justice—program expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

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

Some hon. Members: Agreed.

Some hon. Members: On division.

Mr. Speaker: I declare the said motion carried on division.

Motion agreed to.

MOTION FOR CONCURRENCE IN VOTE 1, DEPARTMENT OF MANPOWER AND IMMIGRATION

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 1, in the amount of $15,222,000 of the Department of Manpower and Immigration for administration—program expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

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

Some hon. Members: Agreed.

Some hon. Members: On division.

Mr. Speaker: I declare the said motion carried on division.

Motion agreed to.

MOTION FOR CONCURRENCE IN VOTE 5, DEPARTMENT OF MANPOWER AND IMMIGRATION

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 5, in the amount of $244,519,000 of the Department of Manpower and Immigration for development and utilization of manpower—operating expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

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

Some hon. Members: Agreed.

Some hon. Members: On division.

Mr. Speaker: I declare the said motion carried on division.

Motion agreed to.

MOTION FOR CONCURRENCE IN VOTE 15, DEPARTMENT OF MANPOWER AND IMMIGRATION

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 15, in the amount of $27,205,000 of the Department of Manpower and Immigration for immigration—program expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

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

Some hon. Members: Agreed.

Some hon. Members: On division.

Mr. Speaker: I declare the said motion carried on division.

Motion agreed to.

MOTION FOR CONCURRENCE IN VOTE 20, DEPARTMENT OF MANPOWER AND IMMIGRATION

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 20, in the amount of $7,346,000 of the Department of Manpower and Immigration for program development service—program expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

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

Some hon. Members: Agreed.

Some hon. Members: On division.

Mr. Speaker: I declare the said motion carried on division.

Motion agreed to.

MOTION FOR CONCURRENCE IN VOTE 1, DEPARTMENT OF NATIONAL DEFENCE

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 1, in the amount of $7,758,000 of the Department of National Defence for administration—program expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

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

Some hon. Members: Agreed.

Some hon. Members: On division.

Mr. Speaker: I declare the said motion carried on division.

Motion agreed to.

Division

MOTION FOR CONCURRENCE IN VOTE 5, DEPARTMENT OF NATIONAL DEFENCE

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 5, in the amount of $1,448,216,000 of the Department of National Defence for Canadian Armed Forces—operating expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

Mr. Speaker: May the Chair draw to the attention of the House to a clerical item in notice of opposition No. 29. The second notice of opposition should have appeared under the name of the hon. member for Greenwood (Mr. Brewin). Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

The House divided on the motion (Mr. Drury) which was agreed to on the following division:

(Division No. 39)

YEAS

Messrs:

Aiken
Alexander
Alkenbrack
Allmand
Andras
Badanai
Barrett
Béchard
Bell
Benson
Blair
Blouin
Borrie
Boulanger
Breau
Buchanan
Caccia
Cafik
Cantin
Carter
Chappell
Chrétien
Clermont
Cobbe
Comtois
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Crouse
Cyr
Danforth
Danson
Deachman
Deakon
De Bané
Diefenbaker
Drury
Dupras
Duquet
Éthier
Fairweather
Faulkner
Forest
Forget
Foster
Francis
Gendron
Gervais
Gibson
Gillespie
Grills
Guay
(St. Boniface)

Division

Messrs:

Guilbault
Haidasz
Harkness
Hopkins
Howard (Okanagan Boundary)
Hymmen
Jerome
Kaplan
Lachance
Lajoie
Lang (Saskatoon-Humboldt)
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (Lac-Saint-Jean)
L'Heureux
Loiselle
MacDonald (Egmont)
Macdonald (Rosedale)
MacEachen
MacGuigan
MacInnis (Cape Breton-East Richmond)
MacKay
MacLean
Macquarrie
McBride
McCleave
McGrath
McKinley
McQuaid
Mahoney
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Mazankowski
Morison
Munro
Murta
Nowlan
O'Connell
Olson
Orange
Osler
Ouellet
Peddle
Pepin
Portelance
Prud'homme
Reid
Richard
Ritchie
Roberts
Robinson
Rochon
Rock
Roy (Timmins)
Roy (Laval)
Ryan
Schumacher
Scott
Serré
Sharp
Simpson
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Marquette)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Sullivan
Thomas (Maisonneuve-Rosemont)
Thompson (Red Deer)
Tolmie
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Valade
Wahn
Walker
Watson
Weatherhead
Whelan
Whiting
Woolliams—141.

NAYS

Messrs:

Beaudoin
Benjamin
Blackburn
Broadbent
Burton
Douglas
Fortin
Gilbert
Gleave
Harding
Knowles (Winnipeg North Centre)
Lambert (Bellechasse)
Latulippe
Lewis
MacInnis (Mrs.)
Mather
Orlikow
Peters
Rodrigue
Rondeau
Rose
Rowland
Thomson (Battleford-Kindersley)—23.

Mr. Diefenbaker: Mr. Speaker, I rise on a point of order. Not wishing in any way to cause the hon. member for York South (Mr. Lewis) any difficulty, I think the rule is that once you vote, you cannot change it. I was under that impression.

Some hon. Members: Oh, oh!

[Mr. Speaker.]

Mr. Diefenbaker: I recall that in 1926 a Labour member for Nelson, Mr. Bird, went to sleep and voted. He woke up and realized he had voted and said he had made a mistake. If I recall, the Speaker of that day said "You only get one bite of the apple."

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I am sure it could not have been at 2.30 in the morning. It seemed to me that the situation was clear, but apparently it is not clear at all. To be very frank, the Chair was under the impression that when members of the official opposition voted, they were voting in opposition to the motion.

Some hon. Members: No, no.

Mr. Speaker: I appreciate that and recognize that it is 2.30 in the morning. I was just saying what I had thought, but obviously I was wrong. I think what the House would want to take for granted is that the vote registered by members of the official opposition was in favour of the yeas, and that the voting starting with the leader of the NDP were votes in opposition. The hon. member for York South is rising on a point of order.

Mr. MacInnis: Mr. Speaker, in view of that fact, I think the same privilege should be extended to others changing their minds about voting.

An hon. Member: What minds?

Mr. Lewis: Mr. Speaker, I should like to speak to the point of order. Let me make it clear that the right hon. gentleman, the hon. member for Prince Albert (Mr. Diefenbaker), always has the courtesy when rising of saying he does not want to cause the hon. member for York South any trouble, and then proceeds to say what he has to say. I should like to inform him that I am sure he noticed, as others did, that I did not vote but rose to find out whether Your Honour had called the nays.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. My impression of the way the vote has been taken is the way I suggested. Otherwise I think it would be unfair to hon. members of the different parties voting either in support or in opposition to the motion. In any event, I declare the motion carried.

Motion agreed to.

MOTION FOR CONCURRENCE IN VOTE 30, DEPARTMENT OF NATIONAL DEFENCE FOR CIVIL EMERGENCY MEASURES

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 30, in the amount of $5,075,000 of the Department of National Defence for civil emergency measures—program expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

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

Some hon. Members: Agreed.

Some hon. Members: On division.

Mr. Speaker: I declare the motion carried on division.

Motion agreed to.

MOTION FOR CONCURRENCE IN VOTE 35—DEPARTMENT OF NATIONAL DEFENCE FOR DEFENCE CONSTRUCTION (1951) LIMITED

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 35, in the amount of $3,042,000 of the Department of National Defence for Defence Construction (1951) Limited—program expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

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

Some hon. Members: Agreed.

Some hon. Members: On division.

Mr. Speaker: I declare the motion carried on division.

Motion agreed to.

• (0230)

MOTION FOR CONCURRENCE IN VOTE 1, DEPARTMENT OF NATIONAL HEALTH AND WELFARE FOR ADMINISTRATION

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 1, in the amount of $7,758,000 of the Department of National Health and Welfare for administration—program expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

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

Some hon. Members: Agreed.

An hon. Member: On division.

Mr. Speaker: I declare the motion carried on division.

Motion agreed to.

MOTION FOR CONCURRENCE IN VOTE 5, DEPARTMENT OF NATIONAL HEALTH AND WELFARE FOR NON-MEDICAL USE OF DRUGS

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 5, in the amount of $4,698,000 of the Department of National Health and Welfare for non-medical use of drugs—program expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

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

Some hon. Members: Agreed.

An hon. Member: On division.

Mr. Speaker: I declare the motion carried on division.

Motion agreed to.

MOTION FOR CONCURRENCE IN VOTE 10, DEPARTMENT OF NATIONAL HEALTH AND WELFARE FOR HEALTH INSURANCE AND RESOURCES

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 10, in the amount of $3,575,000 of the Department of National Health and Welfare for health insurance and resources—operating expenditures for the fiscal year ending March 31, 1973 (less the amounted voted in interim supply) be concurred in.

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

Some hon. Members: Agreed.

An hon. Member: On division.

Mr. Speaker: I declare the motion carried on division.

Motion agreed to.

MOTION FOR CONCURRENCE IN VOTE 20, DEPARTMENT OF NATIONAL HEALTH AND WELFARE FOR MEDICAL SERVICES

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 20, in the amount of $51,538,000 of the Department of National Health and Welfare for medical services—program expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

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

Some hon. Members: Agreed.

An hon. Member: On division.

Mr. Speaker: I declare the motion carried on division.

Motion agreed to.

MOTION FOR CONCURRENCE IN VOTE 25, DEPARTMENT OF NATIONAL HEALTH AND WELFARE FOR HEALTH PROTECTION

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 25, in the amount of $25,883,000 of the Department of National Health and Welfare for health protection—operating expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

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

Some hon. Members: Agreed.

An hon. Member: On division.

Mr. Speaker: I declare the motion carried on division.

Motion agreed to.

Estimates

MOTION FOR CONCURRENCE IN VOTE 35, DEPARTMENT OF NATIONAL HEALTH AND WELFARE FOR INCOME SECURITY AND SOCIAL ASSISTANCE

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 35, in the amount of $18,973,000 of the Department of National Health and Welfare for income security and social assistance—operating expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

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

Some hon. Members: Agreed.

An hon. Member: On division.

Mr. Speaker: I declare the motion carried on division.

Motion agreed to.

MOTION FOR CONCURRENCE IN VOTE 45, DEPARTMENT OF NATIONAL HEALTH AND WELFARE FOR FITNESS AND AMATEUR SPORT

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 45, in the amount of $1,149,000 of the Department of National Health and Welfare for fitness and amateur sport—operating expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

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

Some hon. Members: Agreed.

An hon. Member: On division.

Mr. Speaker: I declare the motion carried on division.

Motion agreed to.

MOTION FOR CONCURRENCE IN VOTE 50, DEPARTMENT OF NATIONAL HEALTH AND WELFARE FOR MEDICAL RESEARCH COUNCIL

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 50, in the amount of $540,000 of the Department of National Health and Welfare for Medical Research Council—operating expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

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

Some hon. Members: Agreed.

An hon. Member: On division.

Mr. Speaker: I declare the motion carried on division.

Motion agreed to.

MOTION FOR CONCURRENCE IN VOTE 1, DEPARTMENT OF NATIONAL REVENUE FOR CUSTOMS AND EXCISE

Hon. C. M. Drury (President of the Treasury Board) moved:

[Mr. Speaker.]

That vote 1, in the amount of $95,210,000 of the Department of National Revenue for Customs and Excise—program Expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

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

Some hon. Members: Agreed.

An hon. Member: On division.

Mr. Speaker: I declare the motion carried on division.

Motion agreed to.

MOTION FOR CONCURRENCE IN VOTE 5, DEPARTMENT OF NATIONAL REVENUE FOR TAXATION

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 5, in the amount of $121,110,000 of the Department of National Revenue for taxation—program Expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

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

Some hon. Members: Agreed.

An hon. Member: On division.

Mr. Speaker: I declare the motion carried on division.

Motion agreed to.

Mr. Speaker: The next item is number 42.

An hon. Member: Bingo!

Some hon. Members: Hear, hear!

An hon. Member: Explain.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, item 42 is the one for the Senate, and we would like you to call the yeas and nays.

MOTION FOR CONCURRENCE IN VOTE 1, PARLIAMENT FOR THE SENATE

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 1, in the amount of $3,923,470 of Parliament for the Senate—program Expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

Mr. Speaker: Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

The House divided on the motion (Mr. Drury) which was agreed to on the following division:

(Division No. 40)

YEAS

Messrs:

Aiken
Alexander
Alkenbrack
Allmand
Andras
Badanai
Barrett
Béchard
Bell
Benson
Blair
Blouin
Borrie
Boulanger
Breau
Buchanan
Caccia
Cafik
Cantin
Carter
Chappell
Chrétien
Clermont
Cobbe
Comtois
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Crouse
Cyr
Danforth
Danson
Deachman
De Bané
Diefenbaker
Drury
Dupras
Duquet
Éthier
Fairweather
Faulkner
Forest
Forget
Foster
Francis
Gendron
Gervais
Gibson
Gillespie
Grills
Guay (St. Boniface)
Guilbault
Haidasz
Harkness
Hopkins
Howard (Okanagan Boundary)
Howe
Hymmen
Jerome
Kaplan
Lachance
Lajoie
Lang (Saskatoon-Humboldt)
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (Lac-Saint-Jean)
L'Heureux
Loiselle
MacDonald (Egmont)
Macdonald (Rosedale)
MacEachen
MacGuigan
MacInnis (Cape Breton-East Richmond)
MacKay
MacLean
Macquarrie
McBride
McCleave
McGrath
McKinley
McQuaid
Mahoney
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Mazankowski
Morison
Munro
Murta
Nowlan
O'Connell
Olson
Orange
Osler
Ouellet
Peddle
Pepin
Portelance
Prud'homme
Reid
Richard
Richardson
Ritchie
Roberts
Robinson
Rochon
Rock
Roy (Timmins)
Roy (Laval)
Ryan
Schumacher
Scott
Serré
Sharp
Simpson
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Marquette)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Sullivan
Thomas (Maisonneuve-Rosemont)
Thompson (Red Deer)
Tolmie
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Valade
Wahn
Walker
Watson
Weatherhead
Whiting
Woolliams—141.

Division

NAYS

Messrs:

Beaudoin
Benjamin
Blackburn
Broadbent
Burton
Deakon
Douglas
Fortin
Gilbert
Gleave
Godin
Harding
Knowles (Winnipeg North Centre)
Lambert (Bellechasse)
Latulippe
Lewis
MacInnis (Mrs.)
Mather
Orlikow
Peters
Rodrigue
Rondeau
Rose
Rowland
Thomson (Battleford-Kindersley)
Whelan—26.

• (0240)

Mr. Deputy Speaker: I declare the motion carried.

Mr. MacEachen: Mr. Speaker, we have been having some discussions and I wonder if we might not reach agreement on how to dispose of the remaining items up to and including No. 88. It has been suggested that we might deem to have carried all these items, with the exception of item No. 74, on division, and that on item No. 74 Your Honour would call the yeas and nays and, if desired, there could be a recorded division immediately. If that is a suitable arrangement I think we might all benefit from it at this moment.

Mr. MacLean: That is agreed, Mr. Speaker, and I would suggest it is assumed that the members are in and that we would not ring the bells for the recorded vote on motion No. 74.

Mr. Knowles (Winnipeg North Centre): We agree.

Mr. Peters: Some of us do.

Mr. Deputy Speaker: Order, please. Hon. members have heard the suggestion made. It is the understanding of the chair that we have the unanimous consent of all hon. members that all remaining motions, with the exception of No. 74, are deemed to have been carried on division. Is that agreed?

Division

Some hon. Members: Agreed.

Motions 43 to 73 inclusive, and 75 to 88 inclusive, agreed to.

Mr. Deputy Speaker: Is it further agreed, on the suggestion of the hon. member for Malpeque (Mr. MacLean), that if a division is required on motion No. 74, the division will be taken without the necessity of ringing the bells?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It is so ordered.

MOTION FOR CONCURRENCE IN VOTE 25, DEPARTMENT OF SUPPLY AND SERVICES

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 25, in the amount of $10,354,000 of the Department of Supply and Services for Information Canada—program Expenditures for the fiscal year ending March 31, 1973 (less the amount voted in interim supply) be concurred in.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

The House divided on the motion (Mr. Drury) which was agreed to on the following division:

(Division No. 41)

YEAS

Messrs:

Allmand
Andras
Badanai
Barrett
Béchard
Benson
Blair
Blouin
Borrie
Breau
Buchanan
Caccia
Cafik
Cantin
Chappell
Chrétien
Clermont
Cobbe
Comtois
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Cyr
Danson
Deachman
Deakon
De Bané
Drury
Dupras
Duquet
Éthier
Faulkner
Forest
Forget
Foster
Francis
Gendron
Gervais
Gibson
Gillespie
Guay (St. Boniface)
Guilbault
Haidasz
Hopkins
Howard (Okanagan Boundary)
Hymmen
Jerome
Kaplan
Lachance
Lajoie
Lang (Saskatoon-Humboldt)
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (Lac-Saint-Jean)
L'Heureux
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
McBride
Mahoney
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Morison
Munro
O'Connell
Olson
Orange
Osler
Ouellet
Pepin
Portelance
Prud'homme
Reid
Richard
Richardson
Roberts
Robinson
Rochon
Roy (Timmins)
Roy (Laval)
Serré
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Sullivan
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Wahn
Walker
Watson
Weatherhead
Whelan
Whiting—107.

NAYS

Messrs:

Aiken
Alexander
Alkenbrack
Beaudoin
Bell
Benjamin
Blackburn
Broadbent
Burton
Carter
Crouse
Danforth
Diefenbaker
Douglas
Fairweather
Fortin
Gilbert
Godin
Grills
Harding
Harkness
Howe
Knowles (Winnipeg North Centre)
Lambert (Bellechasse)
Latulippe
Lewis
MacDonald (Egmont)
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacKay
MacLean
Macquarrie
McCleave
McGrath
McKinley
McQuaid
Mather
Mazankowski
Murta
Nowlan
Orlikow
Peddle
Peters
Ritchie
Rock
Rodrigue
Rondeau
Rose

Messrs:

Rowland	Thompson (Red Deer)
Ryan	Thomson (Battleford-Kindersley)
Schumacher	Valade
Scott	Woolliams—58.
Simpson	
Stewart (Marquette)	

Motion (Mr. Drury) agreed to.

• (0250)

Mr. MacInnis: Mr. Speaker, I rise on a point of order because of a ruling made earlier by the Chair to the effect that a member on this side of the House had walked in when the Chair was putting the vote, while at the same time the Chair failed to recognize that the same thing happened on the other side of the House. The Chair's attention was drawn to the fact that during the vote on No. 42 a member on the other side had left his seat. I think at that time there should have been a ruling, because the Chair was very well aware of the fact.

Some hon. Members: Shame!

Some hon. Members: Oh, oh!

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

Mr. MacInnis: On a question of privilege, Mr. Speaker. I have put a point of order before the Chair in which the Chair was very much aware of the situation, and according to Standing Order 12(2) the Speaker is obligated to do something about it in that he saw members on the other side and failed to recognize the same violation.

Some hon. Members: Oh, oh!

An hon. Member: Sit down!

An hon. Member: That is not a point of order.

Mr. Deputy Speaker: Order, please. The Chair would like to hear the hon. member.

Mr. MacInnis: Mr. Speaker, I again draw your attention to Standing Order 12(2) and repeat that the rule was used in regard to a member from this side of the House while it was very obvious that violations were taking place on the other side of the House and during the vote on No. 42—

Mr. Duquet: Every time you talk about the rules you are wrong.

An hon. Member: Start all over again.

Mr. Deputy Speaker: Order, please. I would think that hon. members would co-operate with the Chair and with the hon. member for Cape Breton-East Richmond (Mr. MacInnis). In fairness to the hon. member, I think I should rule on this point of order but I am not in a position to do so until I hear the hon. member. I would ask hon. members to hear the point of order.

An hon. Member: Get it straight this time, Donnie.

Mr. MacInnis: At the request of hon. members on the other side of the House, I will repeat it. Standing Order 12(2) has been violated, and the Speaker drew on that rule to remind a member from this side of the House who had to leave, while at the same time the same violation was taking place on the government side of the House. The Speaker's attention was drawn to that fact during the vote on No. 42 and Mr. Speaker should have ruled on the member from the government side as well as members of the opposition.

Mr. Deputy Speaker: The hon. member has asked me to rule on his point of order. I think he will understand, and I think all hon. members will understand, that I am in a position where I cannot rule because I do not have personal knowledge of the matter. I accept the hon. member's word but I am not in a position to rule because the matter to which the hon. member refers is not, in my consciousness, within my personal knowledge.

Mr. MacInnis: Mr. Speaker, I rise on another question of privilege. The privilege arises at this time because Your Honour's attention was fully drawn to the fact that this violation was taking place.

Some hon. Members: Shame!

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: The hon. member has indicated his concern on this point of order. I am not sure if he was referring to the vote which has just finished, when I heard a bit of disturbance in the House. I repeat that I have no personal knowledge that any hon. member has violated our Standing Orders. I must leave it at that.

Hon. C. M. Drury (President of the Treasury Board) moved:

That the main estimates for the fiscal year ending March 31, 1972, except those votes concurred in earlier this day, and less amounts voted in interim supply, be concurred in.

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

Some hon. Members: Agreed.

Mr. Deputy Speaker: All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed to the said motion will please say nay.

Some hon. Members: Nay.

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

Some hon. Members: On division.

Mr. Deputy Speaker: I declare the motion carried on division.

Mr. Drury thereupon moved that Bill C-221, for granting to Her Majesty certain sums of money for the public service for the year ending March 31, 1973, be read the first time and be printed.

Motion agreed to.

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

Some hon. Members: Now.

Estimates

Mr. Drury thereupon moved that Bill C-221 for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1973, be read the second time and referred to the committee of the whole.

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

The Deputy Chairman: Shall clause 2 carry?

Some hon. Members: On division.

Clause 2 agreed to.

The Deputy Chairman: Shall clause 3 carry?

Clause 3 agreed to.

• (0300)

The Deputy Chairman: Shall clause 4 carry?

Mr. Fortin: On division.

Clause 4 agreed to.

The Deputy Chairman: Shall clause 5 carry?

Mr. Fortin: On division.

Clause 5 agreed to.

The Deputy Chairman: Shall clause 6 carry?

Mr. Fortin: On division.

Clause 6 agreed to.

The Deputy Chairman: Shall the schedule carry?

Mr. Fortin: On division.

Schedule agreed to.

The Deputy Chairman: Shall clause 1 carry?

Mr. Fortin: On division.

Clause 1 agreed to.

The Deputy Chairman: Shall the preamble carry?

Mr. Fortin: On division.

Preamble agreed to.

The Deputy Chairman: Shall the title carry?

Mr. Fortin: On division.

Title agreed to.

Bill reported.

Mr. Peters: Mr. Speaker, before the bill is read the third time I should like to say that what we have done in passing almost $9 billion in estimates tonight is an indication that the present method of passing estimates is not satisfactory, in the opinion of many Members of Parliament. If some other arrangement for estimates is not made, a procedure such as took place tonight will have to be pursued, but other arrangements should be made so that hon. members can really control in a legislative way the expenditure of Canadian tax dollars.

Some hon. Members: Hear, hear!

Mr. Speaker: When shall the said bill be read the third time.

Some hon. Members: By leave, now.

Mr. Drury moved the third reading of the bill.

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

An hon. Member: On division.

Mr. Speaker: All those in favour will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it. I declare the said bill carried on division.

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

Mr. Speaker: It being after ten o'clock, this House stands adjourned until eleven o'clock this day.

At 3.06 a.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, June 23, 1972

The House met at 11 a.m.

ROUTINE PROCEEDINGS

AGRICULTURE

Second report of Standing Committee on Agriculture—Mr. Beer.

[*Editor's Note: For text of above report, see today's Votes and Proceedings.*]

* * *

HOUSE OF COMMONS

PRESENTATION OF PETITION FOR RESTORATION OF RAIL PASSENGER SERVICE IN NEWFOUNDLAND

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I have the honour to present a petition containing the signatures of 31,000 Newfoundlanders praying that the government take the necessary action to restore rail passenger service in that province.

* * *

AIR TRANSPORT

TABLING OF HAGUE AND MONTREAL CONVENTIONS RESPECTING HIJACKING

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I would like to table in French and English the Hague Convention for the Suppression of Unlawful Seizure of Aircraft and the Montreal Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation. Canada ratified these conventions this week.

* * *

HOUSE OF COMMONS

PROVISION OF MORNING SITTINGS ON JUNE 26, 27 AND 29

Hon. Otto E. Lang (for the President of the Privy Council) moved:

That, on June 26, 27 and 29, 1972, the hours of sitting shall be:
11.00 a.m. to 1.00 p.m.
2.00 p.m. to 6.00 p.m.
8.00 p.m. to 10.00 p.m.

Provided that routine proceedings shall be taken up at 2.00 p.m. and that government orders shall be taken up between 11.00 a.m. and 1.00 p.m.

Motion agreed to.

* * *

WAYS AND MEANS

DESIGNATION OF ORDER OF THE DAY FOR CONSIDERATION OF MOTIONS

Hon. P. M. Mahoney (Minister of State): Mr. Speaker, under Standing Order 60 I request that you designate the requisite order of the day for consideration Monday of the notices of ways and means motions tabled in conjunction with the budget on May 8.

ORAL QUESTION PERIOD

BUSINESS OF THE HOUSE

REQUEST FOR SUBMISSION OF METHOD OF DEALING WITH ESTIMATES TO COMMITTEE ON PROCEDURE AND ORGANIZATION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Mr. Speaker, it is too bad that the Minister of Finance is not here so that he could receive similar applause.

I direct my question to the Acting Prime Minister. In view of the experience last night when billions of dollars in estimates were passed in a matter of hours and the experience of the last year and a half during which expenditures do not receive that attention which constitutionally should be given by the House of Commons, and it being now apparent the amended rules have proven to be detrimental to this institution—

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Well, all I can say it that last night the Prime Minister left in disgust over what was happening.

Mr. Speaker: Order, please. I would hope that we would not resume at eleven o'clock the debate that we abandoned at three o'clock this morning. Perhaps the right hon. gentleman might like to ask his question.

Mr. Diefenbaker: Mr. Speaker, I am not easily provoked to answer, but when remarks like that are made I have to do so.

• (1110)

Would the Acting Prime Minister bring to the attention of the government the submission of the rules, particularly with reference to the examination of expenditures, to the Standing Committee on Procedure and Organization to the end that the rules that were in effect that permitted a proper examination by Parliament will be restored?

Some hon. Members: Hear, hear!

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, as the right hon. gentleman is very much aware, the procedures were changed a few years ago to permit the examination in detail of the estimates of the various departments in committees of the House.

Some hon. Members: Hear, hear!

Mr. Sharp: They have probably received more careful and detailed examination than at any previous time. This has meant that in the House we could devote more attention to other subjects. In addition, the opposition parties have had a number of allotted days. Whether they have used them to the best advantage is for them to judge, not for us.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please.

Mr. Diefenbaker: As a supplementary question, Mr. Speaker, after this recent experience, which is quite contrary to that described by the minister, will he have consideration given to making this institution once more responsible for the preservation of responsibility with respect to the vast expenditures that are being undertaken?

Mr. Speaker: The hon. member for Winnipeg North Centre. Order, please. I apologize to the hon. member. The hon. member for Cape Breton-East Richmond is rising on a point of order.

Mr. MacInnis: Mr. Speaker, my point of order arises from the Acting Prime Minister's reference to what the committees can do with the estimates. I refer to the meetings of the finance committee last week when the chairman of that committee ran the committee in such a way that he maintained the privilege of ruling on his own decisions.

Mr. Speaker: Order, please. The hon. member cannot cast reflections on a chairman of a committee or on any member in any capacity. In any event I suggest to the right hon. gentleman, to the Acting Prime Minister and to the hon. member for Cape Breton-East Richmond that this is debate. For the moment I will recognize the hon. member for Winnipeg North Centre who has a supplementary question.

[Mr. Speaker.]

SUGGESTED REVIEW OF WORK OF COMMITTEES ON ESTIMATES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a supplementary question to the Acting Prime Minister arising out of his answer to the right hon. member for Prince Albert a moment ago. In view of the reliance the government seems to place on the consideration that is given to estimates in committees, will the government consider the possibility of reviewing the work on estimates that is done in committees to make sure that a more satisfactory accomplishment of our job in this area is achieved?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I would be very happy to pass along these suggestions from the right hon. member, the former Leader of the Opposition, and from the hon. member for Winnipeg North Centre. We are very anxious to improve the rules of the House. All parties, however, agreed with the procedures that we are now operating under.

Mr. Diefenbaker: Not so.

Mr. Sharp: After the experience of last night I think our procedures could be improved.

Some hon. Members: Hear, hear!

Mr. Sharp: Therefore I have no hesitation in saying we would like to improve these procedures. But I do reiterate what I said before, and I am sure the hon. member for Winnipeg North Centre will admit it, that the estimates have received at least as careful consideration and even more careful consideration in committees as under the previous procedures.

Mr. Speaker: Order, please. Obviously we are going to continue the debate and we might as well accept that fact. There are a number of supplementaries. Hon. members will be recognized for that purpose, but I would hope the questions will be for the purpose of seeking information and the responses will be for the purpose of giving information, and that neither will be for the purpose of embarking on debate. The hon. member for Peace River.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, my question is seeking information. In considering this matter would the Acting Prime Minister not give consideration to the suggestions made by a very independent and objective witness, the Auditor General, who in his last report referred to the fact that parliamentary control over expenditures is being steadily eroded?

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in light of the answer of the Acting Prime Minister that the committees are doing the work, would he agree, when the government is looking at this question, to look at the experience of the Standing Committee on Broadcasting Films and Assistance to the Arts which deals with the estimates of the Secretary of State amounting to almost $1 billion? These estimates did not get more than six to eight hours consideration in total.

An hon. Member: Whose fault is that?

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I want to direct the attention of the Acting Prime Minister to the problems which confronted members of the Standing Committee on National Resources and Public Works. Because of many conflicts the Minister of Public Works appeared before that committee for only two hours on the day before the time for study expired under the rules. That is another committee which should be looked at.

Mr. Woolliams: I wonder if I could ask a supplementary?

Mr. Speaker: Order, please. Hon. members will appreciate that we are getting pretty far from the question period. This is just an ordinary, or perhaps extraordinary, debate during the question period. I will call on the hon. member for Calgary North for a supplementary and then I will recognize the hon. member for York South.

REQUEST THAT ESTIMATES OF SOME DEPARTMENTS BE CONSIDERED BY HOUSE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I do not accept the Acting Prime Minister's statement that we agreed with the new rules. If he checks the speeches made by myself and others on this side he will see that we asked that the opposition have the right to request during each session of Parliament that four or five departments be brought in so that the pursestrings of the nation would still be controlled by Parliament. Would the Acting Prime Minister accept that suggestion and make a recommendation to the appropriate committee?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I know that these suggestions will command the attention of the House leader and the committee that looks after procedures of the House. I have no hesitation in saying that I do not want a repetition of what happened last night and I do not think anyone here would. I believe we have made great advances in the consideration of the estimates. I reject the suggestion put forward that the House does not have—

Mr. Speaker: Order.

Mr. Sharp: —greater control than it ever had before.

Mr. Speaker: Order, please. This is debate. The hon. member for York South.

Mr. Baldwin: Is that why you have only got five bills for Royal Assent?

* * *

COMMUNICATIONS

BELL CANADA RATE INCREASES—REQUEST THAT APPELLANT, DR. LLOYD BROWN-JOHN, BE PROVIDED WITH COPY OF TRANSCRIPT OF PROCEEDINGS

Mr. David Lewis (York South): Mr. Speaker, may I address a question to the Minister of Communications. Some time ago I asked him some questions about the increase in rates granted Bell Canada and drew his attention to the fact that a gentleman in Windsor was appealing those rates. May I ask the minister whether he has completed his study of the various documents filed with the Canadian Transport Commission and whether he has given consideration to assisting this Canadian citizen in his appeal against these rate increases?

Hon. Robert Stanbury (Minister of Communications): Mr. Speaker, I thank the hon. member for his patience. I hope to be able to conclude next week what action, if any, I should recommend on this matter, and perhaps I can convey that to him then. As far as the next part of the question is concerned, I have advised Dr. Lloyd Brown-John that I have a copy of the transcript of the hearings of the Canadian Transport Commission which he is most welcome to use as he wishes and to copy whatever parts of it he may require.

Mr. Lewis: I am not sure that I am patient; I am just not entirely awake, I suspect. May I ask the minister whether he offered to give Dr. Brown-John a copy of the transcript or was it an offer for him to come and study it here? I am asking the question because I think this Canadian ought to be given every possible assistance.

Mr. Speaker: Order, please. The first part of the hon. member's question is acceptable but the second part is, of course, an explanation or representation. The minister might reply to the first part of the question.

Mr. Stanbury: Mr. Speaker, I have not offered to supply a copy of the transcript to anyone who might choose to bring an appeal against any decision of the Canadian Transport Commission. I am not sure that would be appropriate. What I have offered is access to the copy that I have, and I am quite willing to have it go to Windsor if that is more convenient to Dr. Brown-John. I have not had any request from him up to this point.

Mr. Lewis: May I ask the minister whether he would lend me his copy of the transcript so that a copy of it may get to Dr. Brown-John?

Mr. Stanbury: Mr. Speaker, I would be glad to have a visit from the hon. member at any time to share all my utmost secrets with him.

* * *

• (1120)

CANADIAN SOVEREIGNTY

ALLEGED REFUSAL BY INTERNATIONAL TELEPHONE AND TELEGRAPH CORPORATION TO PERMIT VISIT TO RESOLUTION ISLAND BY NORTHWEST TERRITORIES COUNCILLOR

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the Acting Prime Minister. It is based on a very serious report alleging that a member of the Northwest Territories Council while on a visit to his constituency was, when he attempted to visit Resolution Island in Frobisher Bay, forbidden entry to that island by the International Telephone and Telegraph Corporation of the United States. Has the minister heard of this report and has he done anything to convey the view

of this Parliament and the view of the government that sovereignty in the Arctic rests in the government and the people of Canada?

Hon. E. J. Benson (Minister of National Defence): Mr. Speaker, perhaps I could answer that question. That particular article has come to my attention and I have asked that an investigation be made. It may be that entry was forbidden for security reasons. I am not convinced of that and I am having the matter looked into at present.

* * *

[*Translation*]

LABOUR RELATIONS

QUEBEC—LONGSHOREMEN'S STRIKE—STATUS OF NEGOTIATIONS

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I wanted to direct a question to the Minister of Labour but in his absence I will direct it to the Acting Prime Minister.

Could he tell the House what is the present situation concerning the St. Lawrence harbours?

[*English*]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, it is my understanding that Judge Alan Gold is expected to summon the parties to arbitration imminently. The Minister of Labour has told the press that he expects the arbitration to get under way quickly and to be over quickly.

[*Translation*]

QUEBEC—LONGSHOREMEN'S STRIKE—POSITION OF PARTIES RESPECTING ARBITRATION—RESUMPTION OF WORK

Mr. Valade: Mr. Speaker, I have a supplementary.

In order to be clearer, could the Acting Prime Minister tell whether the two parties have willingly accepted arbitration and do the longshoremen expect to return to work soon?

[*English*]

Mr. Sharp: Mr. Speaker, I shall try to find out the facts. I would not want to mislead the House in any way. Perhaps later in the question period I could give the answer.

QUEBEC—LONGSHOREMEN'S STRIKE—STEPS TO ASSIST PORT OF MONTREAL TO REGAIN FORMER STATUS

Mr. Raymond Rock (Lachine): Mr. Speaker, may I direct a supplementary question to the Minister of Industry, Trade and Commerce. In light of reports that many shipping firms are pulling their business activities out of Montreal and going to other ports as a result of the dock strike, can the minister indicate what steps he intends to take to help the port of Montreal to regain its former status?

[Mr. Macquarrie.]

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I remind the hon. member of the efforts made by the Minister of Labour.

Mr. Rock: Mr. Speaker, I am talking about trade and commerce.

* * *

YOUTH

STUDENT SUMMER EMPLOYMENT PROGRAM—REQUEST FOR RETURN TO WEEKLY RATHER THAN HOURLY PAY SCALE

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, my question is for the President of the Treasury Board. As the government's career oriented summer work program was designed to assist students financially and as this year's change from a weekly to an hourly pay scale will result in loss of income of up to $130 per student for the summer's work, will the minister consider a return to the former pay scale in order to enable students to save more money toward meeting greatly increased university fees?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I will be glad to look at that question.

Mrs. MacInnis: As this year it was not explained to students applying for this program on the new hourly basis that the summer work week in the government service shrinks to 35 hours, with a resulting loss of salary, will the government make good this lack of explanation by paying these students what they would have received on last year's basis?

Mr. Speaker: Order, please. That is a representation.

* * *

ENERGY

NATURAL GAS—INQUIRY AS TO RECONSIDERATION OF RESERVES BY ENERGY BOARD

Mr. Stan Schumacher (Palliser): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. It arises out of the recent public statement by the minister to the effect that he thought reconsideration should be given by the National Energy Board to the quantity of natural gas reserves in Canada, particularly in view of recent discoveries in the Arctic. Because of that statement and because of the application to the National Energy Board by Dome Petroleum for the export of ethane, has the government asked the board to reconsider its judgment with respect to Canadian natural gas reserves which it made last November?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, not in general terms, no. The hon. member will recall that the Dome application is really to determine whether the ethane proposal is separable from the general export of gas. At the moment the government and Dome Petroleum are awaiting the decision of the National Energy Board on that question. On

the broader question, the question of reserves would only arise with respect to the possibility of taking into account frontier oil and gas reserves which at the moment are not accessible and are still being proven.

PROPOSED MACKENZIE VALLEY GAS PIPELINE—PERCENTAGE OF CANADIAN PARTICIPATION—AVAILABILITY OF CANADIAN CAPITAL

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources. In light of reports in the financial pages of the *Globe and Mail* and other financial papers of Canada and the fact that the minister talks about Canadian participation with regard to the building of a proposed pipeline to transport natural gas from the Arctic to industrial centres in Canada and the United States, will the minister inform the House what percentage of Canadian participation there will be and what guarantee was made in that regard when he met with the American companies which make up about 75 per cent of the consortium?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I have not yet met with the new consortium. My objective would be to have majority Canadian equity participation in the pipeline and to have the vast majority, particularly of the consultant and engineering work, done by Canadians operating here in Canada.

Some hon. Members: Hear, hear!

Mr. Woolliams: In light of the fact that in the same article it is reported that if the pipeline were built to join up with the Alberta Trunk gas line or to the lakehead, the one pipeline would cost $3 billion and the other would cost $5 billion, has the minister in his research or investigation considered whether Canada would have sufficient financial resources to put up the majority of the money to build the pipeline in question? Can he assure the country and the House in that regard at this moment?

Mr. Macdonald (Rosedale): Mr. Speaker, I do not happen to be an investment dealer and therefore I cannot give the hon. member a forecast on the state of the market this year, next year or in the next five years. However, I would point out that this project will not only be the largest financing project ever undertaken in Canada but the largest financing project ever undertaken in North America. Therefore it is very likely that other than Canadian financing, preferably in debt form, would be required for the project.

* * *

[*Translation*]

INDUSTRY

TEXTILES—REGULATIONS RESPECTING PENSIONS—SUGGESTED AMENDMENT OF ACT

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce.

Given the very high standards governing pensions for the employees of the textile industry who must retire at age 55, can the hon. minister tell us if he intends to table amendments to the legislation allowing these pensioners to draw their pension without too much trouble?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, this part of the textile industry policy comes under the Minister of Labour and I know that he has received requests to soften the administration of this program. I will see the minister on the matter.

[*English*]

REQUEST FOR ACTION TO PREVENT CLOSURE OF PORT MOODY PLANT OF CASCADE-DELTA BENCO COMPANY

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I wish to direct my question to the Minister of Industry, Trade and Commerce. Is the minister aware that the recently merged Cascade-Delta Benco Company, a manufacturer of cablevision equipment, has decided to close its Port Moody plant with the loss of some 60 jobs in that area? As the Vancouver metropolitan area's unemployment rate is now running about 9 per cent, will the minister look into this closure and use his good offices to persuade the company not to close that plant?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I will certainly look into that.

Mr. Rose: I am sorry, Mr. Speaker. I did not quite catch the minister's mumbled answer. I wish to ask a supplementary question. Since Cascade-Delta Benco is largely foreign-owned and its principals hold immense interests in cable broadcasting, including public licenses granted by the Canadian Radio-Television Commission, will the government urge the CRTC to investigate this company on the grounds of concentration of ownership in the media?

Mr. Pepin: Mr. Speaker, the hon. member will make a contribution if he will vote in favour of Bill C-201 which would give the government some power in cases of takeovers.

Some hon. Members: Hear, hear!

* * *

LABOUR RELATIONS

QUEBEC—LONGSHOREMEN'S STRIKE—REPORTED UNWILLINGNESS OF UNION TO SUBMIT TO ARBITRATION—POSSIBILITY OF INQUIRY COMMISSION

Mr. Jack Murta (Lisgar): Mr. Speaker, I wish to direct my question to the Acting Prime Minister. It is supplementary to those asked about the labour dispute in Montreal. It concerns the minister's announcement yesterday that the parties to the dispute in the longshoremen's strike in Montreal would submit to arbitration, and an article in today's *Globe and Mail* which quotes a longshoreman spokesman as saying that all that was discussed with the minister was the setting up of a commission of inquiry and that the union did not want to submit to arbitration.

Exactly what is the situation with regard to getting this strike settled? Can the Acting Prime Minister report to the House at this time?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, this is in substance much the same as the question already asked by the hon. member for Sainte-Marie. I will try to get an answer before the question period is over.

Mr. Murta: Can the Acting Prime Minister inform the House whether the government is contemplating setting up a commission of inquiry and will this commission have representatives of western agricultural interests on it?

* * *

• (1130)

INDIAN AFFAIRS

COMPLAINT AGAINST STATEMENT BY JUDGE THAT USE OF ALCOHOL CAUSE OF PROBLEMS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to ask the Minister of Justice a question of which I have given notice. Has the hon. gentleman received a letter from the British Columbia Association of Non-Status Indians complaining about the conduct, in terms of language, of a British Columbia Supreme Court Justice, Mr. Justice Gould, in the course of a judgment in which he said the problems of Indians arose from alcohol? Is the minister in receipt of this letter calling for an inquiry and the dismissal of the judge in question, and can he advise the House what action he intends to take?

Hon. Otto E. Lang (Minister of Justice): I have not yet looked at the letter or considered the nature of the complaint. I will do so, of course, and decide at that time whether any action is warranted.

Mr. Alexander: I realize this is a tricky issue, but in view of repeated utterances of such a nature which are certainly affecting the well-being of our native peoples, would the minister take it upon himself to issue a directive or statement for the benefit of the judiciary making it clear that this type of thing cannot be tolerated?

Mr. Speaker: That, of course, is a suggestion or a representation. It is not a question seeking information.

* * *

SPORTS

REQUEST FOR GRANT TO HALL OF FAME IN TORONTO

Mr. Robert Simpson (Churchill): Mr. Speaker, I have a question for the Secretary of State. In his absence I will direct it to the Acting Secretary of State. In view of the fact that large amounts of money are allotted annually on behalf of culture and art, is the hon. gentleman aware of the deplorable fact that the Canadian Sports Hall of Fame in Toronto is reported to be entirely without financial support or assistance to allow for proper maintenance and improvement of facilities? Will the Acting Secretary of State look into this situation and make every effort to provide a moderate source of financial assistance for this worthy project?

Mr. Speaker: The Chair will allow someone to reply on behalf of the government but I would think the second part of the question is not really a question but rather a representation. Perhaps the parliamentary secretary might reply to that part of the question which is in order.

Mr. Hugh Faulkner (Parliamentary Secretary to Secretary of State): Mr. Speaker, I would be prepared to look into it to see, first of all, whether we have a responsibility in this area.

An hon. Member: Is that culture?

* * *

IMMIGRATION

INTENTION RESPECTING GRANTING OF PERMISSION TO KARLETON ARMSTRONG TO REMAIN IN CANADA AS POLITICAL REFUGEE

Mr. S. Perry Ryan (Spadina): Mr. Speaker, my question is for the Acting Prime Minister. Does the government intend to allow Karleton Armstrong to stay in Canada as a political refugee?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, questions of this kind come before the courts, and I am not sure that it would be appropriate for me to comment on a case which is in a sense sub judice.

Mr. Ryan: Has this question been considered at cabinet level?

Mr. Speaker: Order. The hon. member knows that a question such as that is entirely out of order.

* * *

[*Translation*]

INDUSTRY

QUEBEC—POLICY RESPECTING PETROCHEMICAL INDUSTRY—DISCUSSION BETWEEN FEDERAL AND PROVINCIAL MINISTERS

Mr. René Matte (Champlain): Mr. Speaker, I should like to put a question to the Minister of Industry, Trade and Commerce.

Has he had a chance to meet his Quebec counterpart to iron out certain difficulties particularly with regard to the petrochemical industry?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, the Quebec Minister of Industry and Commerce recently stated, according to the newspaper *Le Devoir*, that his relations with his federal counterpart were extremely harmonious; I would say the same. We meet regularly, and shall meet again in the near future.

[*English*]

TRADE

UNITED STATES DISC PROGRAM—NUMBER OF AMERICAN COMPANIES MAKING USE THEREOF—POSSIBLE USE OF CUSTOMS REGULATIONS TO IDENTIFY COMPANIES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask the Minister of Industry, Trade and Commerce whether the number of United States corporations which have applied for DISC status is now stabilized at around 2,000 or is the number still climbing? May I ask him also whether he has now decided to request the United States government for an official list of the DISC corporations which have been set up?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, the last figure I recall was about 2,000. That was at the end of May, and it was going up by 300 to 400 a month. I do not have the latest report. I have said on a number of occasions that we do not intend to ask for a list from the United States because we have good reason to believe we would not get it. We are still working on a procedure by which we would be informed by way of customs declarations of the use of a direct subsidy on exports to Canada from the United States or any other country which uses direct export subsidies.

Mr. Douglas: May I ask the Minister of Industry, Trade and Commerce or the Minister of National Revenue whether the government has considered using the customs regulations as a means of identifying DISC corporations which may be exporting into Canada?

Hon. Herb Gray (Minister of National Revenue): Yes, Mr. Speaker. We are studying this quite actively.

[*Later:*]

UNITED STATES DISC PROGRAM—POSSIBLE CONTRAVENTION OF TAX TREATY

Mr. John Burton (Regina East): Mr. Speaker, I have a supplementary question to that posed by my hon. friend from Nanaimo-Cowichan-The Islands. I should like to ask the Minister of Industry, Trade and Commerce whether the government has looked into the possibility of the DISCs formed in the United States being in contravention of the tax treaty between Canada and the United States?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I made a few statements on that subject months ago to the effect that I thought this procedure was not in accordance with the GATT, either in letter or in spirit. I expressed the thought, also, that it did not accord very well with the spirit of the auto agreement.

Mr. Burton: My question was: Has the government determined whether DISCs are in contravention of the tax treaty between Canada and the United States?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the tax treaty between Canada and the United States is not concerned with matters of this kind; it is concerned with matters having to do with double taxation. However, as the Minister of Industry, Trade and Commerce has said, we do contend that DISC is contrary to the trade agreements we have with many countries, including the United States, under the general agreement on tariffs and trade.

UNITED STATES DISC PROGRAM—POSSIBLE USE OF CUSTOMS REGULATIONS TO IDENTIFY COMPANIES

Mr. David Lewis (York South): Mr. Speaker, I should like to ask the Minister of National Revenue a question arising out of the answer he gave to my colleague. If I understood him correctly he said the government was considering getting information through customs declarations with respect to direct subsidies on exports by all countries. May I ask the minister what gives rise to such a need, considering we are dealing with the effects of DISC legislation by only one country and, second, when may we expect to see the regulations which either the Minister of Industry, Trade and Commerce or the Minister of National Revenue is preparing?

Hon. Herb Gray (Minister of National Revenue): Mr. Speaker, we want to be sure in any program we put forward that we are able to get information with respect to any possible cases of this type arising from the action of all other countries with whom Canada trades. We are, as I have said, actively studying an appropriate method of doing what my colleague, the Minister of Industry, Trade and Commerce, has mentioned. As soon as we are ready to announce our conclusions we shall do so.

Mr. Lewis: How long will it take?

* * *

NATIONAL DEFENCE

ALLEGED SUBSTANDARD ACCOMMODATION FOR CREW OF "NIPIGON" WHILE SHIP UNDER REFIT IN MONTREAL

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, notice of my question has been given to the Minister of National Defence. Has the minister looked into complaints concerning alleged substandard accommodation for members of the crew of the *Nipigon* now under refit in Montreal, and have corrective measures been taken?

Hon. E. J. Benson (Minister of National Defence): Mr. Speaker, I am advised that the crew of the *Nipigon* were accommodated in crowded conditions at Long Point Barracks. These crowded conditions have now been alleviated and the accommodation is adequate. However, it is not as good accommodation as they would have at Halifax.

* * *

PUBLIC SERVICE

ALLEGED ADVERTISING BY COMMISSION FOR SEDIMENTOLOGISTS IN UNITED STATES TRADE MAGAZINES

Mr. Thomas M. Bell (Saint John-Lancaster): I have a question for the President of the Treasury Board, Mr. Speaker. Is the Public Service Commission advertising

for sedimentologists in the United States through United States trade magazines—proof of which I will send to the minister—and, if so, why is this being done at a time when university graduates are walking the streets in Canada?

• (1140)

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I shall be glad to see the advertisement in question and find out the reason for this.

Mr. Bell: Does the minister subscribe to a policy of hiring anyone from the United States, Scotland or anywhere else when college graduates in Canada are out of work?

Mr. Speaker: Order, please.

* * *

NATIONAL DEFENCE

MEAFORD TANK RANGE—SUGGESTED TENDER CALL TO PEOPLE OUTSIDE CANADA TO REMOVE UNEXPLODED AMMUNITION—REPAIR OF BUILDINGS

Mr. P. V. Noble (Grey-Simcoe): Mr. Speaker, I have a question for the Minister of National Defence. In view of the fact the Department of National Defence has stated it does not have sufficient competent staff to decontaminate the Meaford tank range, will the government give consideration to advertising for tenders from interested, qualified people outside the country to decontaminate the range?

Hon. E. J. Benson (Minister of National Defence): I do not think so, Mr. Speaker; the cost would be prohibitive.

Mr. Noble: Is it the intention of the government to repair any of the buildings on the range, some of which are now in a state of progressive deterioration?

Mr. Benson: Mr. Speaker, I do not know offhand but I shall be glad to make inquiries.

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CANADIAN SOVEREIGNTY

ALLEGED REFUSAL BY INTERNATIONAL TELEPHONE AND TELEGRAPH CORPORATION TO PERMIT VISIT TO RESOLUTION ISLAND BY NORTHWEST TERRITORIES COUNCILLOR—CANADIAN POLICY

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I direct my question to the Secretary of State for External Affairs and it arises out of the question asked earlier by the hon. member for Spadina. Are there today in the Arctic Islands of our country areas in regard to which the decision whether a Canadian shall enter is determined by military regulations of the United States, and that no one can go on those islands without the consent of the International Telephone and Telegraph Corporation of New Jersey? I ask this question because, if such is the fact, it constitutes a flagrant invasion of the rights of Canadians.

[Mr. Bell.]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the Minister of National Defence is looking into the facts which may or may not be as represented in this newspaper article. I think that until we know what the facts really are it would be imprudent to answer the question.

Mr. Diefenbaker: Mr. Speaker, I am trying to find out what is the basis for the facts. Has the government of Canada under an exchange of notes granted certain rights whereby portions of our northern areas are subject to United States military law and Canadians are denied their right to be in the areas in question? I repeat has there been any such arrangement made with the United States?

Mr. Sharp: Mr. Speaker, I would doubt that there are any arrangements of such a kind in effect except those relating to security. These would affect not only Canadians but anybody else who wanted to enter upon property where matters are secret in the interest of the security of Canada. I am sure the right hon. gentleman would agree that this would be quite appropriate.

Mr. Diefenbaker: Mr. Speaker, I have asked a simple question. The Secretary of State for External Affairs says that there may be or there may not be such arrangements. During his administration, or that of his predecessor, has the government of Canada agreed that a United States corporation shall determine Canadians' rights to be in the north? Do not excuse it by reason of security.

Mr. Speaker: Order, please. Perhaps the minister might reply briefly. The hon. member for Red Deer.

* * *

EXTERNAL AFFAIRS

REPORTED REQUEST TO GROUP VISITING QUEBEC HOUSE IN PARIS TO REMOVE CANADIAN FLAG LAPEL PINS

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the Acting Prime Minister and it probably involves his own position as Secretary of State for External Affairs. Is any further report available to the House on the recent charge that the wearing of Canadian maple leaf lapel buttons was prohibited at Quebec House in Paris? Does the minister intend to make a full statement to the House about this very serious matter?

Mr. Speaker: Order, please. It seems to me that question was asked yesterday.

[*Later:*]

[*Translation*]

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I should like to ask the Secretary of State for External Affairs a question supplementary to the one directed to him about the incident at Quebec House in Paris.

Is the minister aware that Mr. Michaud would have been recalled in Quebec and arrived there yesterday?

[*English*]

GRAIN

BARLEY—POSSIBLE EXTENSION OF DELIVERY QUOTA

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the minister responsible for the Wheat Board. Yesterday I asked him a question about the 15-bushel quota for barley which terminates today and whether the Wheat Board or the minister was going to announce any special incentives to deliver the barley that has been committed?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I have had further conversations with a commissioner of the Wheat Board along the lines I indicated yesterday to the hon. member and they have extended the date generally for the 15-bushel quota from June 23 to June 30 in order to avoid most of the difficulties that might arise. They will be looking at specific delivery points in addition to that if the extra week is not sufficient.

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EXTERNAL AFFAIRS

INQUIRY AS TO FURTHER PROTEST TO DENMARK AGAINST HIGH SEAS SALMON FISHING OPERATIONS

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I have a question for the Acting Prime Minister in his capacity as Secretary of State for External Affairs. In view of the continued intransigence of the Danes with respect to the salmon fishery, has the government made any further protests since the Washington meetings? If so, can the minister give us in a general way the nature of such protestations?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we have, of course, continued our attitude toward this question but we have not made any further specific representations. We made very strong representations in the past and I am sure that the Danes understand our position very well.

Mr. Lundrigan: Has the government taken any steps to prevent the importation of Danish salmon, which we might say is Canadian salmon, taken on the high seas in view of the fact that this seems to be one of the few sources of salmon this year?

Mr. Sharp: No, Mr. Speaker, we have not taken any action of that kind.

IMPENDING NUCLEAR TEST BY FRANCE—RIGHT OF FRENCH TO PREVENT PEACEFUL PASSAGE OF VESSELS—PROTECTION OF "GREENPEACE III"

Mr. Doug Rowland (Selkirk): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Does the government of Canada accept that the government of France, or for that matter the government of any other nation, has the right to cordon off a section of the high seas and prevent the peaceful passage of vessels of any nation, including Canada's *Greenpeace III*?

Inquiries of the Ministry

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker, we deny that right.

Mr. Rowland: In light of the fact that the *Greenpeace III* is lawfully operating in international waters, has the government of Canada protested against France's announced intention to proceed with nuclear tests in the area, and what steps are being taken by the government of Canada to protect this Canadian vessel and its crew should such tests take place?

Mr. Sharp: Mr. Speaker, we have informed the French government of our view of the legal position. We expressed our concern some time ago when we first heard about the possible voyage of some Canadians into that area. So the French government is fully aware of our position both in law and in fact. As I said yesterday, however, Canadians are free to travel anywhere they wish, and if they wish to place themselves in special hazard in this way there is nothing that I can do. I really do not know what measures I can take to prevent them from entering that area.

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CAPE BRETON DEVELOPMENT CORPORATION

REQUEST THAT GOVERNMENT PROHIBIT ACTION BY CORPORATION ON MATTERS BEFORE COURTS

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker I have a question for the Acting Prime Minister. The Acting Prime Minister has rightly said that the government does not wish to comment on matters that are before the courts. Will the government therefore take action with respect to the Cape Breton Development Corporation, a Crown company, to stop it from acting on matters that are before the courts?

[*Later:*]

Mr. MacInnis: Mr. Speaker, I rise on a question of privilege. I direct my question of privilege to the Minister of Justice, since no one else on that side appears to take any interest in justice. A statute was voted on and passed unanimously by this House; yet a Crown company is denying the legal rights of pre-retired people in Cape Breton as well as the rights of widows and orphans. Would the minister examine Bill C-135, the act that set up the Cape Breton Development Corporation, and ask the president of that corporation to act in accordance with that legislation as passed by the House?

Mr. Speaker: Orders of the day.

Mr. MacInnis: No answer again.

[*Translation*]

LABOUR RELATIONS

QUEBEC—LONGSHOREMEN'S STRIKE—POSITION OF PARTIES RESPECTING ARBITRATION—REQUEST FOR STATEMENT BY MINISTER

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

Mr. Speaker: Order. The hon. member for Sainte-Marie on a point of order.

Mr. Valade: Mr. Speaker, I would like to remind the Acting Prime Minister that he promised to answer our questions regarding the longshoremen's strike and I wonder if he has something to tell us.

[*English*]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I now have some further information in reply to the two questions asked about the longshoremen's strike. I am informed that the arbitration procedure is a very speedy process which will clear up the matters in dispute and, we hope, permit an early return to work. With regard to the question whether the men have agreed to go back to work during the arbitration procedure, the answer is no, they have not. But the process itself is very speedy and we think it is the best way to deal with the matter at the present time. In respect of the question about a commission of inquiry I am also informed that the offer of the Minister of Labour to set up a commission of inquiry was conditional on neither party going to arbitration. The Maritime Employers Association has now decided to go to arbitration, which therefore takes precedence. We have no recent information to the effect that the union is unwilling to participate in the arbitration.

• (1150)

[*Translation*]

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I have a supplementary question to put to the minister.

Could he assure the House that the Minister of Labour will make a full statement on this subject early next week in order that the House be acquainted with all aspects of this situation?

[*English*]

Mr. Sharp: Mr. Speaker, I am sure the Minister of Labour, when he is next in the House, will be very happy to answer questions. I do not know whether he will wish to make a statement.

Mr. Gleave: A supplementary—

Mr. Speaker: Order, please. The hon. member wishes to ask a supplementary, but we have gone about five minutes beyond the question period. I assume this can be done only with the unanimous consent of the House. Perhaps the supplementary might be asked when the House next meets. Order of the day.

[Mr. MacInnis.]

GOVERNMENT ORDERS

CANADIAN WHEAT BOARD ACT

AMENDMENTS RESPECTING DETERMINATION OF PAYMENT FOR WHEAT—EXTENSION OF APPLICATION TO FLAXSEED, RYE AND RAPESEED

The House resumed, from Monday, June 5, consideration of Bill C-204, to amend the Canadian Wheat Board Act, as reported (with amendments) from the Standing Committee on Agriculture and motion No. 1 (Mr. Gleave).

Mr. Lang: I rise on a point of order, Mr. Speaker. When this bill was last considered in the House, some question was raised concerning procedural difficulties with this amendment and perhaps the remaining two amendments to this bill. There have been discussions, and I believe there will be found to be general agreement to proceed with the amendments in every way as though they were in order without prejudice to that question. This, of course, in no way implies the acceptance of any particular amendment except for procedural purposes. I believe there will be found to be agreemement to proceed in that fashion at this time.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: In the circumstances, the amendment which stands in the name of the hon. member for Saskatoon-Biggar will be put.

Mr. A. P. Gleave (Saskatoon-Biggar) moved:

That Bill C-204, An Act to amend the Canadian Wheat Board Act, be amended

(a) by deleting from Clause 5 lines 29 to 37 at page 4 and substituting the following therefor:

"5. Section 35 of the said Act is repealed and the following substituted therefor:

"35. (1) The Governor in Council may by regulation extend the application of Part III or Part IV or of both Parts III and IV to any or all of oats, barley, rye, flax seed or rapeseed or to all of them.

(2) Where the Governor in Council has extended the application of any Part under subsection (1), the provisions of that Part shall be deemed to be re-enacted in this Part, except that

(a) the word "oats", "barley", "Rye", "Flax seed" or "Rapeseed". as the case may be, shall be substituted for the word "wheat";

(b) the expression "oat products", "barley products", "rye products", "flax seed products" or "rapeseed products", as the case may be, shall be substituted for the expression "wheat products";

(c) the sum certain per bushel to be fixed by the Governor in Council in respect of oats, barley, rye, flax seed or rapeseed may be so fixed basis in storage either Thunder Bay or Vancouver or only Thunder Bay or only Vancouver; and"

(b) by adding immediately after line 5 at page 5 the following:

"(3) The Governor in Council shall make any regulation extending the application of Part III or IV or of both Parts III and IV to any of rye, flax seed or rapeseed after considering the possibility of holding a plebiscite of the producers in consultation with the appropriate representatives of such organizations with co-operative or direct membership that are involved in the marketing or production of these three grains."

(c) by renumbering subsequent subsections accordingly.

He said: Mr. Speaker, in speaking to this motion I should like first to point out its scope and the reason for it.

It is important to point out to the House that this motion asks that these three grains, flax, rye and rapeseed, or indeed any one of them, come under the jurisdiction and operations of the Canadian Wheat Board. More importantly, however, it asks that the producers of these grains be provided with an opportunity to make a decision, by the device of a plebescite or indeed by some other method if some other method is thought more appropriate, concerning how they wish to have all three of these grains or any one of them marketed. They might wish to continue with the present futures market, as we call it, using Vancouver and Thunder Bay as basing points, or they might prefer to market the grains through the Canadian Wheat Board as is done now in respect of the principal grains, wheat, barley and oats.

I believe it would be appropriate to give some reason for reviewing our methods of marketing and for considering alternatives to what we are doing now. One of the principal reasons for the review is the fact that we are now using quotas for the purpose of marketing all three grains, flax, rye and rapeseed. One has to go back only a few years to find the time when the Canadian Wheat Board did not administer quotas for flax and rapeseed. I am sure I would be perfectly safe in saying that the Wheat Board decided to administer quotas for flax and rapeseed only when it had no alternative. The Canadian Wheat Board felt it necessary to dwell at some length on the necessity for its administration of the quota for rapeseed.

On January 17, 1972, the Canadian Wheat Board issued a little booklet. A significant amount of space in that publication was devoted to the reasons which the Board felt made it necessary to administer quotas. The booklet reads, in part:

> Every effort is being made to ensure that the non-board grains will not jeopardize the movement of the principal grains grown on the Prairies.

Farther along, it reads:

> An equitable allocation of facilities is extremely difficult to achieve during an extended period, such as the present, when a very heavy export program is underway.

I will come back to that later. The producer finds himself in the position of selling his product on an open market with a price which can fluctuate as much as 50 cents per bushel up or down in any given futures market. Yet, when there is a high price in that particular market he cannot sell his product at that price because he likes that price. The producer must deliver the product when a quota permits him to deliver it. This certainly is one of the most important factors in the total equation.

I wish to point out again, as I did when I started, that it has not always been this way in respect of these grains. We have to go back only a short number of years into the late 1950's or following the Second World War when rapeseed became a significant commercial crop on the Prairies. When I first produced rapeseed, one could not deliver it to the local elevator. Instead, it had to be loaded over the platform. The first producers of this grain either did that or trucked it directly to a crushing plant.

• (1200)

The pricing system at that time was a contract pricing system. We used neither the open market nor the Wheat Board. It was a contract system and, if I remember correctly, we contracted through the pool, although they were not the principals. The principals rather were behind the pool and the pool was merely acting as an agent. I believe that Continental Grain was contracting. It was impossible at that time to get price information when you were marketing a particular product. I remember at one time being dissatisfied with the price which we were receiving. Since I was in Ottawa at the time I asked officials in the Department of Industry, Trade and Commerce to find out the price at which the product was actually being sold in Montreal. At that time it was being purchased at twice the price which was being paid to the producer on the contract basis back in Saskatchewan, Alberta, Manitoba, and so on.

The next move that was made was when the grain exchange started listing, pricing or quoting daily prices for rapeseed. At the same time, it established a futures market as well as one basic point for delivery, which was Thunder Bay. At that time there were only Fort William and Port Arthur, so this was an improvement. When the producer had some market information, he could at least look at the prices for that day of the particular product. It did not give him any security in price, which could easily move a $1 a bushel within a season or as much as 50 cents a bushel within a month, as it did last fall between August and November, I believe.

What this motion seeks to have done is an evaluation of the pricing procedures which we have now. I ask that the producer of this product have the opportunity to pass judgment on the present procedure and ascertain whether he would not get better treatment or a more equitable pricing system, one which would be more advantageous, through the Wheat Board rather than on the so-called open market. Over the years I have seen a great deal of heat generated in the Prairies in discussions comparing the Wheat Board market and the open marketing system. Usually more heat is generated than rationality, and that has been one of our misfortunes.

The second thing that happened in the open market under the exchange system was two or three years ago when it was decided that a second basing point would be opened thus establishing two future markets, Thunder Bay and Vancouver. If you look at the price of rapeseed, you will find that the futures are quoted for both Thunder Bay and Vancouver and you will find that they are quoted in different months, to use the term which is current in the trade. So you cannot transfer your interests from Vancouver into the same month in Thunder Bay because the schedule has been shrewdly drawn to eliminate this possibility. This is not the case on the exchange in the United States, where the futures in the different basing points can be transferred from one to the other.

Any marketing system or pricing system has to be judged on the basis of how well it works. The economists have a term for it which I cannot recall for the moment. It is supposed to be a perfect system or as nearly perfect as possible. The present system has demonstrated that it is far from perfect. You only have to examine it or read the comments of those who have examined it, to know that it is not a perfect system. Indeed, the minister in charge of the Wheat Board (Mr. Lang) found it necessary to carry on

correspondence with the grain exchange to ask whether the system could not work better, and they told him they would see what they could do about it. The minister tabled the correspondence at the request of an hon. member on this side of the House.

A particular situation really intrigued me, and I must call it to the attention of the House. We have here a very nice picture of the chief commissioner of the Canada Grains Commission, along with a story in the *Free Press Weekly* of May 6 which tells us that the Winnipeg Grain Exchange has asked the federal government to appoint a supervisor of trading in grain futures. I really wanted to ask the Minister of Agriculture (Mr. Olson), in view of the fact that Mr. Pound, the chief commissioner, is responsible to him, whether he was going to comply with the request of the Winnipeg Grain Exchange to appoint a supervisor of trading in grain futures. I wondered, too, what kind of a wizard they would get to do that job. Would he be some kind of a superman keeping track of the switches and turns of the operators on that exchange? I wanted to ask him that but, as often happens to some of us backbenchers, when we want to ask a question it is not always possible.

The other aspect of the story that intrigued me was that there was an act passed to provide for the supervision of the Winnipeg Grain Exchange. In 1939, Parliament passed the Grain Futures Act to provide supervision and regulation of trading, but it was never proclaimed. Following the 1930's, when the grain exchange system proved to be altogether incapable of effectively pricing the grains which it then had at its disposal, an act was brought in, but it was never proclaimed. If the government wants to do something about it, all they have to do is to proclaim that act. The story goes on to say that if the act is proclaimed, most likely the Canadian Grain Commission will act as supervisor. I do not know where the newspaper got this idea, but it intrigued me. I did not know that it was a part of the function of the grain commission to supervise or even take a look at the Winnipeg Grain Exchange.

• (1210)

Then, the article reads:

> Already H. D. Pound, chief of the Grain Commission, has made initial studies of the Washington's Commodity Exchange and the Mercantile Exchange and Board of Trade in Chicago.

Apparently somebody chased the Board of Grain Commissioners off to see how well these exchanges are working down in the United States. There is evidence that the government is or has been somewhat concerned about the effectiveness of the operation of the Winnipeg Grain Exchange. The minister in charge of the Wheat Board was concerned enough to write to the exchange and say, in effect, "You are not working very well; tell us how you can do better out in Vancouver."

Unless Mr. Pound acted on his own as chief commissioner, then either the minister in charge of the Wheat Board or the Minister of Agriculture suggested that he take a look at the operations of the exchanges in the United States. Perhaps sometime during this debate the minister will enlighten us as to whether any instructions were given to Mr. Pound. So, Mr. Speaker, this is the situation we are looking at in the marketing of this grain.

I want to return to the quota system. Again, here is what the Wheat Board says about its administration:

> Once the production of a crop such as rapeseed exceeds 50 million bushels a year, quotas to control deliveries are necessary to ensure that the working space in country elevators remains sufficiently fluid to handle the other grains that must move through. The Wheat Board, acting in consultation with the grain trade, makes every effort to ensure that delivery quotas will not exert undue influence in the market for non-Board grains.

So, we have this interruption in the kind of flow that would be essential to let an open market flourish and operate. But this is not the only interruption we have. The other obstacle we have to the effective operation of an open market is the crushing plants that exist in western Canada, because the crushing plants have staked out a special position for themselves. They have said, "We must be assured of access to whatever supplies are within trucking distance of our plants, or as far as people will haul their grain in to us." They have insisted on special quotas that will allow them to get first call. This is also interfering with the pricing system. If a producer is within range of a crushing plant and he needs money, there is pressure on him to deliver to that plant, even though it may be paying him less money per bushel than the market indicates he might be able to get.

I have just pulled out one of the sheets which are issued by the Canadian Wheat Board, showing the situation as of March 27. Rapeseed under ordinary delivery in all blocks was 17 bushels, and as you go down you notice it is marked 7 bushels per quota acre. The crusher could take 20 bushels per assigned acre, and rapeseed, low erucic acid, was 20 bushels per assigned acre. We do not have a simple quota system such as exists for wheat and barley. We have a quota system which is adjusted to accomplish certain things. This is another factor in this pricing mechanism that makes a difference, and that prevents it from being what it might be or from operating as well as an open market system might operate. The producer is the man who carries the load, who wins or loses under this system, which, far from being perfect, is quite imperfect.

The other thing that is preventing an open market system from operating is that there is now a surplus, or a significant part of the crop which cannot be delivered, and which is hanging over the market. The big claim of those who favoured the open market system was that that type of a marketing system would clear the market. If you had an open market system and you allowed the grain merchants such as Continental, who are the international operators, and coming down past them to National Grain, to UGG and to SASK Pool, free access to the market, no restrictions, they could clear the market. But, Mr. Speaker, that balloon has been exploded. They could not meet the hard test of reality. We did not clear the market.

Now, we come to how the system really works. The street price that is established is an agreed price which two committees of grain companies, one for Saskatchewan and Manitoba and the other for Alberta, decide each day as the price. That is the system we have now. When I

phoned my delivery point at Biggar the other day, there was a quota price for rapeseed and then there was under the schedule a premium of 17 cents a bushel. I have seen that premium go up and go down. Mr. Speaker, I waited some time last fall to deliver a carload of rapeseed, have it shipped to Vancouver, and sold at that point. It realized me $500 more than if I had sold it the same day at Biggar or, as we use the term, on the street at the elevator. That is a lot of money. A system which takes that kind of toll off the producer at a local point is a pretty poor system.

An official of the Farmers Union did the same thing a year or two ago, made the same kind of money, and made it public. The minister knows it. Anybody who can read knows it. You can get statements from very responsible officials who will confirm this sort of thing. You get a statement such as that made by Mr. Lockwood, the Second Vice-President of the Saskatchewan Wheat Pool, speaking at the Farm and Home Week in Saskatoon in January, 1972, when he said:

• (1220)

—producers must try to guess the course of a daily changing price that's affected by international events, about which they have only limited information.

He questioned the effectiveness of the method of pricing which we are now using and said:

Suspicion that price manipulation "is possible under certain conditions" with the present system of marketing rapeseed has been voiced by Saskatchewan Wheat Pool.

This, Mr. Speaker, is a statement from a public platform by one of the people whose business it is to act on behalf of the farmers in marketing that particular grain. I submit, Mr. Speaker, that when the Winnipeg grain exchange asks for somebody to supervise it, when a statement such as I have quoted is made by a man responsible for marketing grain, when there is the evidence that I have quoted about the imperfections in price and the correspondence which passed between the minister and the exchange, then there is enough evidence to justify giving the producer the opportunity to make a choice.

I do not claim, Mr. Speaker, that the Canadian Wheat Board is infallible, and at times I have criticized it, but it does return to the farmer the price it receives on the market. However, I think it could do a much better job of forward pricing and making forward contracts. I think it could do a much better job than the present futures system. We should explore those alternatives and remedy the present shortcomings.

We know that there will be an excess of grain from time to time, and I think most people agree that there probably is no system which can guarantee to market the total production in any given year. The object is to ensure the best return possible to the farmer and we should seek a method that will accomplish this while giving the farmer the information and the choice. I hope that the parties in this House will achieve that object before this debate ends.

A little over a year ago, the minister in charge of the Wheat Board brought to the House for first reading, and then sent to committee, a bill which would have accomplished this first step. If I recall correctly, he said that it was not the intention of the government to force the pace, that it would be the producers who would make the final decision. However, whether the government got cold feet or whether it was the party to my right, in committee it was decided to take out this provision. Apparently, they did not want to give the farmers the choice.

We see reports emanating from Alberta that an agency of government is thinking of getting into the marketing of rapeseed. A statement from the Alberta government indicated their concern and possible intervention. I think they have decided not to act for the time being, possibly because it is a pretty risky venture for one province to go into the marketing of a grain of the scope and importance of rapeseed. They would need to be able to protect themselves from producers on the other side of the line who might choose to unload. I suppose they decided to back off and look at it again.

Experience has taught us that the most effective way of marketing these grains is on the basis of the total producing region. This holds true whether it is the Canadian Wheat Board or whether you are using the so-called open market system. I am satisfied that one of the reasons for our troubles with rapeseed is the open market system, because two futures markets are being operated, one in Thunder Bay and one in Vancouver. The product should be marketed on the basis of the whole region, if the growers would agree. Of course, if the growers wish to continue with the present haphazard system that is their privilege, but they are paying dearly for it. I know, as does the minister and the second vice-president of the Saskatchewan Wheat Pool, Mr. Lockwood, and many other people, that the system is not working very well. The job of any pricing system is to return the price for the product to the producer through the marketing mechanism. Of course, those who operate it are going to take their normal cut, but the people who operate this system are not satisfied with the normal—every once in a while they reach out for the big bite.

Because of the quota system which is now a part of the total marketing system the producer cannot protect himself against the big bite. The producer cannot gather together enough grain under the quota system, forward the grain by the carload and obtain the price that he should get. As I say, he cannot do that because he is not given a large enough quota. He cannot move sufficient grain at any given point in time. So, because of what we are doing, the grain producer cannot always protect himself and obtain the high price under the system to which he is entitled.

• (1230)

Those who advocate the future's market say, "Look, the producer can buy a future at a certain time and assure himself of a certain price; or, he can sell now, in the present, and assure himself of a certain price." Mr. Speaker, that is all very well, but you need a margin of 25 cents; and that margin only protects you to the extent of 15 cents because, if you are long in the market and the price goes down by 15 cents, the brokers will close you out unless you put up more money. To play this market, the producer must have a fair amount of cash. If he uses that cash, he forefeits the interest on it. Very likely he has borrowed it and would pay, at current rates, between 8

and 9 per cent interest. So, if he is to play the future's market, the interest he must pay on borrowed money will become another charge that his farming operation must bear, and a very unproductive charge it is, Mr. Speaker. If a farmer wants to do this, and very few do, he would probably do it, or need to do it, early in the fall when he is fairly short of cash. So, as I say, he must borrow the money, pay the interest on it, and play this market if he wants to protect himself against falling prices or, as they say in the trade, if he is to insure a price that is going on that particular day. This is a fairly cumbersome system and, so far as I know, not many producers use it.

This House must give the farmer the opportunity to choose; that is all. Let us give him that opportunity. Let the producer decide what kind of system he wants. After all—

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the hon. member but his allotted time has expired.

Some hon. Members: Continue.

The Acting Speaker (Mr. Laniel): Does the House give its unanimous consent to allowing the hon. member to complete his remarks?

Some hon. Members: Agreed.

Mr. Gleave: Mr. Speaker, I had practically completed my remarks. In conclusion I say, let the producer choose. Give him the choice. That is what I say in my motion. Let him exercise his choice through his organizations or, directly, through his vote. Let him choose whether he prefers this or that kind of system. The choice should be his. At present, he is not given the opportunity to exercise that choice, and he ought to be given that opportunity. After all, the facts are well known, as I said earlier. One need not hunt for them; they are available for anyone who wants to look at them. A few hours research is all that is needed, because the facts are out in the open.

Let me repeat what I have said. I say to this House and to the minister, give the producer a choice. Do not tell him what to do. Give him the facts and let him make the choice. If you do that for the western farmer he will, from my experience, make a pretty intelligent decision.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I can agree with one important point which the hon. member for Saskatoon-Biggar (Mr. Gleave) made in speaking to his motion, namely, that consideration of this issue concerning the marketing of rapeseed, particularly, deserves reason and rationality rather than the heat which this issue has tended to generate in days gone by. In order to bring about additional understanding of the problem, I appointed a committee to study the rapeseed marketing system. It was a committee composed of two distinguished producers and a member from the rapeseed association. It was directed to look at the way the existing marketing system is operating and to make recommendations for possible changes and improvements.

At all times it had been my position that the manner of marketing rapeseed should, indeed, be chosen by the producers, although that, perhaps, is oversimplifying the position since it is not easy to define a producer or to determine the opinion of the producer on an issue as complicated as this. In any event, it was my position that it was up to the producer to make that marketing decision with respect to his product and that we ought then to co-operate by having available the necessary mechanisms for marketing producers' products in the manner they chose.

The marketing committee I set up came forward with a certain number of recommendations concerning the existing marketing system for rapeseed. Many of those recommendations have since been put into effect. The hon. member for Saskatoon-Biggar (Mr. Gleave) referred to an exchange of correspondence with the grain exchange. This was part of a group of discussions and exchanges with the Canadian Wheat Board and other bodies concerned with the grain trade, and all these were in line with the recommendations made by the committee. Many recommendations that committee made have been put into operation, resulting in an improved marketing situation for rapeseed at present.

The committee looked at the question of the board market versus the open market and concluded that, indeed, producers' views should be ascertained on this matter. It concluded that those views ought to be a factor in any decision but that, before producers could properly turn their attention to this question, more work ought to be done in examining alternative systems, namely, board markets, pooling systems, and the open market. Information was needed to which producers might have access in order that they might understand the various alternative systems available and make their choice intelligently.

I trust that the hon. member for Saskatoon-Biggar has read the subsequent report that followed from that recommendation. After receiving the recommendation from what I have always thought was an extremely good committee, I asked the members to turn around, so to speak, analyze the systems mentioned and to produce a summary of that analysis for producers. This has been done and, accordingly, the outcome of the study regarding the various systems of marketing rapeseed, including the presently existing system, is available to producers. Producers' organizations have taken that report and summarized it for wider distribution to producers generally. I recommend it to the hon. member and to all who are interested in this subject. I ought to add that few people have suggested anything other than that the committee did an extremely good job in this field. I recommend the report to all people interested in problems that might be encountered in marketing of this type. Any people so interested, I suggest might with more advantage read that report than the analysis given us by the hon. member for Saskatoon-Biggar—and I say that with all respect.

This is not a simple matter. It is a complicated matter and, therefore, the report is also complicated. For that reason, I have felt it appropriate to take some further time before determining what is the opinion of producers on this issue. It is significant in my mind that producers' organizations have tended to veer from positions they previously adopted. At one time many of them flatly recommended that rapeseed, flax and rye ought to be brought under the Canadian Wheat Board. Many now

recommend, instead, the taking of a plebiscite or the obtaining of the views of producers on that issue, partly in recognition of the complexities of the issue and, possibly, because a significant number of producers favour the open market as opposed to the board market system. I, myself, have avoided taking a particular stand, because I wanted it to be clear that I was prepared to do what the producers wanted. I have tried to inform, rather than choose a particular stand with regard to various systems of marketing.

As the hon. member for Saskatoon-Biggar noted, the bill now before us, when first introduced to this House by myself, contained a provision very similar in purport to that of his amendment. Subsequently in the committee, and I say this because the hon. member for Saskatoon-Biggar did not seem to appreciate this, the section was removed in an effort to facilitate speedier passage of the very important other portions of the bill. This section was, in effect, stood aside with an indication that a support separate bill would be brought forward with regard to it. This is still my intention at some appropriate time, perhaps after producers' views are in fact known with certainty.

• (1240)

It should be apparent to hon. members that we do not need this amendment to obtain producers' views, when it is decided that the time is right to determine them. At that time, this government and this Parliament will have to take the responsibility in translating and understanding the producer's view and making come true that which hon. members generally support, namely that what producers want to have done in the way of marketing ought to be done for them by us if machinery is required.

At that point in time, we removed this section from the bill in committee. Because of the consideration in committee, I will, and I urge my colleagues to do the same, vote against the amendment, even though it is practically in the words of the original proposition I put forward. I will do that because I am respectful of the committee's wish, what I know was their wish, to have some careful and detailed deliberation and perhaps representations from organizations concerning this section before it is acted upon in Parliament.

Upon determining with clarity the views of the producers, we will take steps to ensure that whatever is required in the way of appropriate legislation for better marketing for producers is available. I say that in a general way because the hon. member for Saskatoon-Biggar has referred as well to the Grain Future's Market Act. If the open market is continued, and this is a comment in the committee report, some additional supervision may be required.

In examining the matter, the rapeseed committee visited some other exchanges in the world to see what operating system would be appropriate and what sort of supervision would be required. I am afraid, however, that the statute on the books, which has never been proclaimed, would not be adequate to do the job. It certainly could not deal with the matter of proper supervision of rapeseed. If this route is to be followed, we are likely to be faced with the need for legislation in the next session of Parliament to make sure that the open market system works as well as possible.

I should point out to the hon. member for Saskatoon-Biggar that his discussion on quotas is something of a red herring in this area. The special position of crushers with relation to rapeseed is a decision that the Wheat Board has taken in operating quotas. I am satisfied it would act in exactly the same way if it were operating with rapeseed as part of its marketing responsibilities. This is shown by the fact that it is not just for rapeseed that special quotas exist to meet the needs of a crusher in the immediate area. In the case of barley or certain special kinds of wheat where there is a special market and a somewhat similar situation with a crusher or miller, the wheat board has taken special action for such quotas to make sure supplies are available. They have done this even though they recognize that this interferes with the basic principle of full equity; however, it makes sense to provide crushing plants access to supplies in the neighbouring area and an orderly marketing system in that regard. There is a balancing involved. The wheat board makes these decisions with regard to wheat and barley and consistently in the same way.

I say that we do not need this motion to determine the wishes of producers. When we are satisfied and, indeed, when producer organizations indicate that they feel there has been a satisfactory analysis of the rapeseed committee report by producers as well as other information that is available, we will be prepared to determine the wishes of the producers with regard to marketing and proceed with whatever legislation may be required, whether it be of the sort contained in the motion or of the sort that would provide better supervision of the exchange. That is the situation which leads me to vote against a motion which is very much in the words of a section contained in the original bill that I introduced in the House some time ago.

The importance of the bill was the reason we tried to bring it forward into law. It was a vain attempt, but we did try to bring it forward. It is an extremely important bill. It may allow the Wheat Board to price barley out of Vancouver as well as Thunder Bay, and so deal with the problems of the Alberta producers. It may allow the wheat board to set up separate pools with regard to protein wheat and take further steps in connection with the existing protein grading system. It will allow the Wheat Board to have extend quotas through a crop year end and solve some very serious quota problems and, therefore, produce a better equity system. It also introduces a better quota enforcement system, better both in efficiency and in the humanity of its operation.

For these reasons, we wanted the bill brought forward. It would not be fair to the committee deliberations with regard to this particular problem to proceed with this matter now. For that reason, I will oppose the amendment.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I am very appreciative of the minister's comments with regard to this motion. As I remember the events that transpired in committee, in order to facilitate passage of the bill, at least those portions of the bill with which the committee members were in complete agreement, it was necessary to

remove the controversial section. That section happens to be similar to the motion moved by the hon. member for Saskatoon-Biggar (Mr. Gleave). The section was not controversial to the point that it was objectionable, however, there did not seem to be sufficient time for the committee to deal with the proposal.

Upon reflection, I feel that perhaps the committee may have dealt with the whole thing and called witnesses later. However, time having passed and hindsight being better than foresight, the committee hoped that the entire bill could have been proceeded with at the earlier session. Having reached this stage, and having the assurance of the minister that there will not be any wholesale approval of this particular motion by him, we can express ourselves openly as to the whys and whereforces of the suggestion contained in the motion.

I have agreed with the minister on several occasions. The minister accepted the suggestion I made in committee and withdrew the objectionable portion. At that time, I suggested that this amendment should be introduced on another occasion, if for no other reason than to debate the issue. We have always stated that we would not mind a plebiscite, but the minister's original proposal and the present proposal of the hon. member for Saskatoon-Biggar do not suggest that there will, shall or must be a plebiscite. It suggests that there may be a plebiscite. The motion reads and I quote:

—any . . . rye, flax seed or rapeseed after considering the possibility of holding a plebiscite of the producers in consultations with the appropriate representatives of such organizations with co-operative or direct membership that are involved in the marketing or production of these three grains.

• (1250)

These words are not sufficiently clear. The matter was left entirely to the discretion of the minister. We objected to the minister having an unrestricted right to announce, one day, that these grains should be included. That is the position we took then and our position has not changed since. We do not mind the producer having a say, or a vote, on the issue if it is his wish.

My views on this question may not coincide with those of the hon. member for Saskatoon-Biggar (Mr. Gleave). I was somewhat amused to hear him arguing in favour of control by the Wheat Board while at the same time telling us he made $500 on one carload of rapeseed. That, in itself, nullified his argument. I know other farmers who have done likewise. Then again, there are farmers who cannot take a similar advantage because of closed quotas applied by the Wheat Board. I know a producer in my area, he happens to live about 20 miles from my home, who had a long, hard fight with the Wheat Board over this very issue. He arranged for several cars to be spotted at his delivery point. He shipped the rapeseed to Vancouver and paid the storage on it for 42 days, if my memory serves me correctly. He made himself $2.92 on every bushel of rapeseed, amounting to about $800 in all, not $500 as was made by the hon. member for Saskatoon-Biggar. In other words, it is possible for any farmer to take advantage, but the restriction is there to the extent that the Wheat Board imposes a quota.

I would point out again for the benefit of the hon. member for Saskatoon-Biggar that the quota restriction

[Mr. Korchinski.]

itself tends to equalize prices anyway. Why is it that some people seem to like others to do the calculations behind the scenes? They do not complain then. But if they are affected directly they object to it. Why is it necessary to deliver to the pool or to any other agency? I heard the hon. member for Regina East (Mr. Burton) say "Hear, hear!" When the statement was made that the elevator companies were gouging the farmers. Well, it happens to be the pool in this case. It is the pool which is speculating. Why are the hon. member and his friends always defending the rights of the pool? I am not objecting to the system of delivery to the pool, but why, all of a sudden, should there be two standards? Why is it that this system has a right to gouge the farmers, apparently without any protest being made? It is perfectly all right, we hear. It is not all right. Every farmer wants to have as much money as possible. It happens that the pool got delivery in the first place, and when they sold, they made a profit.

There is no need for me to go into the philosophy of the pool system because everybody understands it. In this case, 64 per cent of the system happens to be owned by the Saskatchewan Pool. So why are we arguing? There seems to be a great deal of contradiction on the part of members of the New Democratic Party in their approach to the subject. They seem to want one thing while pressing for something quite different. They do not know where to stand. For instance, they are saying there might be a plebiscite. But they are not saying there will be a plebiscite. The words are "after considering the possibility of holding a plebiscite". In effect, they are telling farmers that someone, at some time, may decide if and when there should be a plebiscite. This is the verbiage which was used here. In other words, it is a lot of nonsense. If it were stated that a plebiscite must be held, I would agree readily. But he does not say that. A decision shall be made if and when His Royal Highness pleases. Well, in my estimation the Royal Highness here must be the farmer. But according to the NDP, the Royal Highness here is the minister or some official in the department.

Well, I have delivered rapeseed and so has the hon. member for Saskatoon-Biggar. We have delivered it at high prices and low prices, and he and I know that the very fact that the quota exists prevents us from delivering any more than the Wheat Board has already specified. I can readily understand that the crushers require a continuous supply of rapeseed for their operations. I would hate like Sam Scratch to have the crushers stop their operations until the Wheat Board said it would open up a quota, and somebody had better deliver because the price is at such and such a level. I would want that crusher to be operating every day, if for no other reason than to ensure a continuity of employment and a continuous flow of the product to market.

This whole process is presently in an infant stage in western Canada. It must avoid taking unnecessary chances if it is to become firmly established in world markets. This is potentially a great industry. For hon. members to suggest at this time that we should start putting clamps on the crusher is wrong, because the industry has yet to establish itself. In my area, deliveries have come from a radius of 150 miles of the crusher. I hear many praises from farmers who recognize the benefits produced by this operation. Contrary to what some

may believe, deliveries can be made on any particular day a farmer may choose. He can pick up the phone at any time and say "I think the price is right, now". But delivery must be made to the crusher in order that it may continue production. Can hon. members imagine shutting down a plant for two months in the middle of winter—

Mr. Knowles (Winnipeg North Centre): One o'clock.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Korchinski: Mr. Speaker, I was commenting on the fact that the hon. member for Saskatoon-Biggar (Mr. Gleave) had destroyed his own argument about excluding the three grains, rapeseed, rye and flaxseed, from the jurisdiction of the Wheat Board since on his own initiative he said he had made $500 on a carload of rapeseed that he had shipped, and which every farmer is on his own initiative entitled to emulate, requestion the railways to spot a car for him. Having made his $500, the hon. member should not deny other farmers the same privilege. However, there will come a time when the hon. member will not make $500, but will lose a few hundred. In other words, the averaging principle still applies. All that the Wheat Board really does is to average out the quantity delivered by farmers. The farmers deliver their grain to someone else and take their money at the end of the year. They are not concerned about the price at the moment of delivery; rather the initiative is left to another group of people, who may or may not make the right decision.

The hon. member for Saskatoon-Biggar did make the right decision to sell at that particular time at that particular price. I have already mentioned the fact that a farmer within 20 miles of me made $2.92 on some rapeseed, as of course he was entitled to do. But is it of any comfort to the farmers to know that the wheat pool does all this for them, adding on the delivery charges and the whole cost of the operation? Or is it of greater comfort to the farmers to know that on their own initiative they are able to reveal in many instances the weaknesses of the present system?

If the farmers leave things entirely to the Wheat Board, they come to think that the Board is equivalent to the Almighty, that it is just like belonging to the Roman Catholic church. I happen to be a Roman Catholic myself, but whatever the Roman Catholic church does is perfectly all right. You do not deny the church. However, many people are trying to change the system. Many people are trying to change the Wheat Board or the wheat pool and to come up with a better system. If it is all right to challenge something as sacred as religion then it should be perfectly all right to challenge the Wheat Board system. This is exactly what has happened. No one, except the hon. member for Saskatoon-Biggar (Mr. Gleave) has suggested for one moment that we must use the Wheat Board because it is sacred. He said if we put everything under the Wheat Board, things would run smoothly.

• (1410)

The hon. member gave an example of how he had received $500 on a carload he delivered. I am prepared to give an example of a farmer who received $800. On his own initiative he asked for a car, spotted the car at his own delivery point and delivered to Vancouver. He went through the whole process. At the same time he pinpointed the date at which he would sell the grain. In other words, there are arguments for and against. I shall not dwell in that further, except to point out that there are many examples of this.

I do not think the Wheat Board system is necessarily advantageous. It blinds one to what actually happens. The $500 which the hon. member received could have been more. He does not know this. He is blinded to the fact that there is a system working against him. The hon. member wants the Wheat Board to do everything for him. He admits that on his own initiative he made himself $500. I believe his approach to the whole problem is rather stupid. The Canadian farmer needs a more realistic approach. The hon. member did the right thing, but then he said he wanted the same privilege for everybody else. Nonsense! People are not prepared to share anything with anybody else unnecessarily. The point is that if necessary, others share with the hungry, the needy and so on, but in this case a man struggles for his own existence. If we were speaking of a farming industry which was flourishing, that would be fine and dandy, but this industry is not in that situation.

I shall not dwell any further on this point. The hon. member is not very realistic in respect of his motion. The committee had been asked to interview witnesses, and yet we never had an opportunity to do so. There are persons who may have expressed opinions different from mine who might have convinced me to agree with them. I have bent this way and that. The minister knows very well I have been quite flexible in most of my dealings with him, in an effort to accommodate him. My original position at that time was that if we withdrew this particular clause, the bill could be passed. One does not face reality if he suggests at this particular time that the Wheat Board is the final solution to the problem. Barley is selling for 90 cents a bushel to the feeders in the area of Saskatoon and yet the Wheat Board is buying it for 65 cents a bushel. Who is a stupid fool! The farmers are not delivering their barley.

Mr. Lang: They are.

Mr. Korchinski: The minister is making a vain attempt to prove his point. The farmers are catching on to the fact that it was sold at a very low price, and that they will be able to obtain a better price within a year. I challenge the minister to tell me this is not a fact. Will he rise at this particular time and say it will not be sold at a higher price?

Mr. Lang: Mr. Speaker, I wonder if I might ask the hon. member whether he is aware of the fact that barley deliveries on the prairies have been running at around 20 million bushels as of the past week and this is something of an all-time record.

The Acting Speaker (Mr. Laniel): The time allotted to the hon. member has expired but the minister having raised a question perhaps the House would allow the hon. member an opportunity to reply.

Mr. Korchinski: Thank you very much, Mr. Speaker. I did not hear the minister's question. I threw out a challenge to him which I thought was valid. If the minister said that 20 million bushels have been sold, this does not mean that it has been sold at a higher price. Most farmers realize it has been sold at a very low price. It was given away; this is the point. The farmers know that if they hold it for another year they will obtain far more for their grain. That is why they are holding their barley at this particular moment.

I have not completed my remarks, Mr. Speaker, but I understand my time has terminated.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, I have a few comments I should like to make in respect of this bill. I assure the minister, however, that I will not take up too much time because I am as interested as he is in seeing this bill pass. This would seem an opportune time to make a few comments in respect of quotas as they apply in the country. It seems to me that often the quota arrangements are made by very able and very clever people who in many cases have never actually farmed, and who sometimes are unaware of the effect of these problems on the individual farmer. I wish to talk about terminal quotas. I think that, in general, the minister's idea is a good one. It is not reasonable to expect the railways or the elevators to handle a large proportion of the crop in a period of a few months at the end of the season, as they sometimes attempt to do. I think the minister is bringing at least some common sense into the quota system. I commend him for this. He complains sometimes that we do not give him credit for the good things he does. I wish to go on record in respect of this particular item. I believe it is an improvement.

One concern the farmers have about the terminal quotas is the fact that frequently municipalities have not built roads into their farms. Some farmers have difficulty because they cannot haul grain during the winter time because of snow or because of rain during the summer months. Sometimes the terminal quota will present a problem because some farmers are unable to deliver at the appropriate time. I would urge the minister to use some judgment in respect of the cut-off time. He has shown some indication that he will extend the barley quota if necessary.

I have another comment I wish to make concerning terminal quotas at the end of the year. I think that they should be at least near enough to the year end so that persons do not have to resort to storage if they wish to sell that grain on January 2 instead of in December. Hopefully, farmers will be in a position to pay income tax, and they have the same problem in arranging their business as does anyone else. If you must haul the grain, deliver it and then pay storage on it because of the quota which someone else has arranged for you, I suggest that this power to arrange your business is taken out of your hands. It is not reasonable that this should be so. I would ask the minister to consider setting the terminal quota not on December 10 but on December 16, 18 or 20 so as to take care of this obvious problem.

• (1420)

Now, I would like to speak briefly on another matter. I received a letter from a Peter Kirchgesner at Unity in connection with quotas at domestic crushing plants. I would like to say that the NDP, and I in particular, favour the rapeseed crushing industry in Saskatchewan and on the Prairies; we encourage it. I was a delegate when some of these matters were discussed with the Saskatchewan wheat pool, and I supported the industry. I would like to see more crushing plants for rapeseed. I have received complaints from individual farmers in connection with quotas on delivery to crushing plants. I have here a newsletter from Western Canadian Seed Processors at Lethbridge, stating that they do not seem to be getting enough rapeseed to satisfy their requirements. I will send it across to the minister and ask for his comments. If this is the case, I would like to know why these people cannot get enough rapeseed from the Wheat Board or from the market. Is there some financial difference from which these people would benefit, or is there some other reason?

Now, I should like to comment on the price of wheat, oats and barley under the Wheat Board. I favour the Wheat Board type of marketing, but I am a little perturbed at the low prices we are receiving for these grains. The fact of the matter is that there has been such a big movement of these grains that this might have concealed the poor price. If we had not had a reasonably high production, it would have been very apparent in the Prairies that the prices were much too low. I have been making inquiries in my constituency regarding the amount of grain left, and I have found that there is not as much on hand as the newspapers have indicated. At the moment, I am concerned about the fact that there is drought in some areas, and unless something happens to change the conditions, there will not be a big crop this year, particularly of coarse grains. In view of the quotas established this year, there may not be enough to sell. The low price for barley in particular is a cause for concern. The price of one and a half cents per pound for barley at the elevator is not very high when you consider the cost of producing the grain. I say that as a practical farmer who grows much of it. If you have a good crop, you must grow a great amount of it if you want to meet expenses, let alone make money when the price for barley is only one and a half cents per pound.

I should like to say a few words about the amendment introduced by the hon. member for Saskatoon-Biggar (Mr. Gleave). He stated the reasons for giving the farmers a choice, particularly with regard to rapeseed, as to whether they want to sell their grain on the open market or under the Wheat Board. Last winter I spoke to an elevator agent who told me about a farmer who had 3,000 bushels of rapeseed which at that time was priced at $2.46 on the open market. He thought he would hold it until it went up to $2.50. Something happened to the market and the price went the other way. Eventually, he sold out at $2.06. At 40 cents a bushel and with 3,000 bushels to sell, the loss amounted to $1,200. One of the advantages of the open market is that you can always lose money on it.

I must say, in defence of the open market, that it is the best way I know of keeping farmers happy with the Wheat Board. If you talk to a man who has suffered a loss on 1,000 bushels of flaxseed, rapeseed or rye, you will find that he is inclined to think the Wheat Board's method of operation is not so bad after all, despite some problems we have had with it. Any time you meet someone who has lost $1,200, you find that he does not want to tell his wife that he finally sold out at $2.06 when he could have had $2.46, and certainly he does not want to brag about this to his neighbours. My own observation is that all too often farmers tend to lose rather than gain in situations such as this.

I should like to ask the minister and the hon. member for Saskatoon-Biggar to leave this decision in the hands of the farmers themselves. I know that I would want farmers to decide. A mechanism could be worked out whereby they could decide, and I would be willing to leave it at that. Certainly, at present this is not a happy situation in so far as the two price system for rapeseed is concerned. Quite a few farmers in the north end of my constituency grow rapeseed, and there were times when there was a 15 cents differential between Maidstone and Lloydminster in the price they were receiving. This seems odd when there are just a few miles between the two places and yet there is such a big difference in price. We have spoken to the minister about this before and he has attempted to find a more satisfactory solution. I have just used this as an illustration to point out that we are not completely happy with some of the conditions of the pricing system on the open market. As I recall the history with regard to wheat, oats and barley, small individual shippers had been selling one load to the elevator at a loss versus a carlot price, which was one of the reasons the wheat pools and the Wheat Board were pressured into being formed in the first place. I suggest that the minister consider this problem more carefully. I appreciate the fact that he has done some studying of this matter and had others study it. Perhaps we will get some good answers from them.

I should like to make one other comment in connection with the provisions for sales emphasis. I think the changes in the Wheat Board Act were good and some of the changes in the bill are good. Previously, too much emphasis was placed on controlling the movement of grain within the country and not enough on placing that grain in a position and in a condition for markets. It is a decided improvement, although the provisions in the bill with regard to proteins were a reaction rather than action in advance, but at least they are a good reaction. The fact that there is emphasis on sales in this bill is, in my view, a good move. I think that we should pass this bill and allow the Wheat Board and those in charge of the grain trade to concern themselves more seriously with finding markets that are needed for grain producers in western Canada.

• (1430)

Mr. Jack Murta (Lisgar): Mr. Speaker, I think all hon. members would be in favour of a producer plebiscite on the question of rye, flax and rapeseed coming under the Canadian Wheat Board, providing it was carried out in the manner suggested at committee stage. That is not really a contentious issue. But I would like to take issue with the amendment proposed by the NDP which calls for the Governor in Council to extend the application of both Parts III and IV to rye, flax seed or rapeseed "after considering the possibility of holding a plebiscite of the producers . . ." We must be careful about the words "after considering." As was pointed out by the hon. member for Mackenzie (Mr. Korchinski), the word "considering" means a great many things to many different people. An amendment such as this should not be passed at this time. When we were discussing a similar piece of legislation at committee stage, we received an indication that between eight and 12 organizations and interested groups in western Canada wanted to come to Ottawa to express their opinions on whether rapeseed should come under the jurisdiction of the Canadian Wheat Board.

My third reason for opposing it is that at the present time the Wheat Board has its hands full marketing the crops that presently come under its jurisdiction. The growing of rapeseed has developed at a fantastic rate following its introduction to western Canada, and I believe that a crop such as this must be marketed in the most advanced way. I contend that our present system of marketing, in which futures can be used for selling the product and hedging can be used for purchasing the product, is the best system we know. To back up my argument I quote from the *Free Press Weekly* report on farming as follows:

> Imports of rapeseed into Japan in 1971 totalled 407,371 metric tons, 405,895 tons of which were supplied by Canada, according to customs clearances in the annual statistical report of Japan Oil and Fat Importers and Exporters Association. Australia and the United States supplied minor quantities.
>
> Canadian exports to Japan increased over 1970 by about 84,000 metric tons. The 1972 calendar year figures are expected to show a further large increase due to the removal of tariff restrictions on April 1, 1972.

This is the present situation with respect to rapeseed. I firmly believe that to put it under the control of the Wheat Board would jeopardize our marketings of this crop. There are price discrepancies in the futures market, but sales must be the overriding consideration when we are discussing this matter. Everything depends on sales. Import countries want the advantage of hedging their purchases of rapeseed. A perfect example is the American soybean crop, to which the price of Canadian rapeseed is virtually tied. Americans market their soybean crop in a manner similar to our marketing of rapeseed. Many hon. members have said that by putting rapeseed under the control of the Wheat Board we could eliminate price fluctuations and bring about a more stable price. This may not always be the case. I believe that the law of supply and demand must be taken into consideration.

Again, I quote from the *Free Press Weekly:*

> June rapeseed prices at Vancouver were off from April highs by almost 25 cents in mid-May, and prices for May rape at Thunder Bay were off almost 34 cents from April.

These are great price crops. The cause is to be found in a drop in our export business. As the paper pointed out:

> Much of the price drop was because of a drop in export business. But failing soybean and oil prices depressed the rapeseed market, and the rape—bean price spread was widening, increasing to 86 cents . . .
>
> Background events in rape included a flurry of activity concerning changes in transportation policy by the Canadian Wheat Board . . .

A rapeseed scare in France over May threatened to have world-wide implications—

In this context, we see that putting rapeseed under the Wheat Board would not solve all our problems. It is a commodity which is traded all round the world, and it is affected by various other oil commodities.

Rye and flax seed are not so significant so far as volume is concerned, or so far as total income of western farmers is concerned, but when we talk about rapeseed we must remember that if we do anything to jeopardize our marketing of it, our traditional customers do not have to buy our rapeseed. There are other oil seed crops which they can buy such as coconuts, palm, and soybeans. When we talk about rapeseed in Canada, we must also talk about soybeans in the United States. They are the overriding factor so far as prices are concerned, and when we come to the crux of the question we are talking about the price received by the producer. Because of the volume of the American soybean crop and the manner in which the Americans market it, they have established a bench mark for oil seed prices, around which the price of rapeseed fluctuates.

Soybeans are sold on what we call a meal market, and rapeseed is sold on what we like to think is an oil market. I am optimistic that in the near future we will be producing various rapeseed varieties that will place us in favourable competition with the meal market in soybeans. When we do that, I believe that we will share an even greater percentage of the total world markets than we do now. I am saying this to stress that we must take a careful approach to ensure western producers the kind of marketing they want. We will need the most flexible kind of marketing system possible, and I contend that the one we have for rapeseed would probably give the best results. A difficult decision must be made and it should receive the consideration of commodity groups in western Canada. It is rather distressing that the rapeseed associations are not showing leadership on this question of marketing. When they decide where they want their industry to go then we, as Members of Parliament, can help to implement the decisions.

• (1440)

I think that everything that can be said was said in committee last spring. We in the Conservative party, would be in favour of a producer plebiscite run by the rapeseed association and other associations involved; if and when this comes about we will work with them to achieve their objectives.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I rise to support the motion proposed by my colleague, the hon. member for Saskatoon-Biggar (Mr. Gleave) and, in my usual kind, quiet manner, to make a last effort to persuade the minister and his colleagues. There should not be any argument about the acceptability of the motion. The history of the open marketing of grain from the beginning has been tragic and shameful, and I do not know how anyone can get up in this House and express support for such a 19th century system. It can in no way operate to the benefit of the grain producer because it is designed only to provide profits to the marketing end of the grain business and does nothing to protect the producer as the pricing system has no relation to the value of the product. It does not take into account the cost of production nor the producers' need to make a living.

I was amused at the remarks of the hon. member for Lisgar (Mr. Murta) about the flexibility of this system. He is putting it mildly when prices can fluctuate to the extent demonstrated by his figures as well as those put forward by the hon. member for Saskatoon-Biggar. Surely, that is ample evidence to show that there has been a change in the stability of the price of grain now handled by the Canadian Wheat Board compared to the position before it handled the grain. Is has been demonstrated that this is a better system which operates in the interests of the grain producer, providing a measure of price stability even if the prices are inadequate.

Mr. Speaker, I find it difficult to understand the reluctance of the minister and the government to accept this amendment, particularly as they originally had something of the sort in the bill. I find it difficult to understand why the minister, the government and the official opposition try to cling to the last remnants of an open-market system that has been proved to be detrimental to grain producers for so many years. I do not want to impute motives or suggest wrong intentions, but it is difficult not to be suspicious.

Some hon. Members: Oh, oh!

Mr. Baldwin: Don't hold yourself back; let yourself go.

Mr. Benjamin: Mr. Speaker, the minister felt that the amendment should be defeated because he has appointed a committee to look into the whole system of marketing, particularly of rapeseed. He mentioned two or three alternatives and he asked the committee to keep working. He felt that the amendment should not be accepted because the committee will be able to give the farmers more information to enable them to come to a proper decision. I fail to see how incorporating this amendment into the bill would interfere with the work of the committee or prevent it from providing more information to the producers in order to help them decide whether they want this grain or flax or rye brought under the jurisdiction of the Wheat Board. He mentioned that the hon. member for Saskatoon-Biggar was bringing in red herrings. I suspect this herring is redder than any, and it also smells. The hon. member for Lisgar feels that the Wheat Board has its hands full now. Since it already handles the quotas for grain, I do not see why it could not also handle pricing.

If the arguments put forward by the minister, the hon. member for Mackenzie (Mr. Korchinski) and the hon. member for Lisgar for not accepting this amendment are correct then it seems to me they must also come to the conclusion that it is reasonable that wheat, oats and barley should not come under the Wheat Board. This makes me even more suspicious that there are some members in the official opposition and the government who do not want an orderly marketing system for grain and who still oppose the Canadian Wheat Board. They still want grains handled under the nineteenth century system involving the open market, the grain exchange, the speculator, the parasite who lives on the backs of grain producers and does not work. The hon. member for

Lisgar confirmed my suspicions. His remarks led me to conclude that the official opposition opposes our amendment because it supports discredited policies, opposes the orderly marketing of grain and other aspects of grain handling that would be beneficial to producers.

• (1450)

An hon. Member: You don't believe that, do you?

Mr. Benjamin: I urge the minister to change his mind and accept the motion. I know that many in his constituency who support his party want this amendment.

An hon. Member: This speech is for home consumption.

Mr. Benjamin: Members of farm organizations and farmers individually have, for decades, been asking for the proposal in this motion. It has been the dream of grain producers on the Prairies. They want control of their production. They want to control grain from the time they first plant it until they sell it. The dream of prairie grain growers who have wanted to control the marketing of grain and bring about an orderly marketing system goes back to 1935, when orderly marketing first began under the leadership of the late Right Hon. R. B. Bennett. He introduced that system as a sort of death bed repentance before the defeat of his government. Over the years it has been developed and now, in the main, has become the best method, I think, for handling our grains and for claiming a reasonable price. Surely, the minister ought to consider the experience of grain farmers under both systems. They have made up their minds and said that these three grains ought to be under the jurisdiction of the Canadian Wheat Board.

I hope the minister will have second thoughts and decide that the motion is acceptable. The amendment would in no way set back or interfere with the work of those people whom he has appointed to look into this question. The amendment would allow the farmers, the grain producers themselves, to make the crucial decision. Surely, that is how it ought to be. It is useless suggesting that we ought to wait for another session, perhaps another Parliament, before bringing in an amendment like ours. After all, even the minister must know that, even if we are lucky, the Canadian Wheat Board Act will not be considered again for another three or four years. That might suit those who support the grain exchange and the so-called open marketing system, but it does not suit the grain growers. Again, I ask the minister to accept the amendment and to allow grain producers to make their own decision.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I was struggling against the temptation to speak in this debate but, after listening to the hon. member for Regina-Lake Centre, was persuaded that I might make a useful though limited contribution. I was somewhat struck by what the hon. member said about the official opposition supporting discredited policies. I do not accept his contention that the policy he referred to has been discredited. You know, Mr. Speaker, it is necessary for us to show a certain amount of steadiness and consistency in this House. The party the hon. member supports has been discredited at the polls for a good many years, but members of that party keep coming back and, most of the time, they play a useful role. Of course, at times one wonders how useful it is.

Mr. Benjamin: Thank you.

Mr. Baldwin: I do not hold against them the fact that they have been discredited.

Mr. Knowles (Winnipeg North Centre): We missed the hon. member last night.

Mr. Baldwin: They have a role to play and they play it, even though they support policies which may have been discredited.

May I now speak about the amendment? I do not like the way new section 35(3) as proposed is worded. It reads in part:

> The Governor in Council shall make any regulation extending the application ... after considering the possibility of holding a plebiscite of the producers in consultation with the appropriate representatives—

I would term that as a pretty weak amendment. If it had said there shall be a plebiscite, and the phrasing of such language is not beyond the ingenuity of the hon. member for Winnipeg North Centre (Mr. Knowles), or that there shall be a plebiscite held on behalf of the producers in certain circumstances, we should have been more inclined to give consideration to supporting this amendment, if I may use the language of the hon. member who proposed it. As it is, the language is meaningless. All the governor in council must do is decide whether there is the possibility of holding a plebiscite, in consultation with certain people. I do not think that language has that precise and positive ring which would be needed if we were to support the amendment.

The other reasons for our not supporting the amendment have been eloquently articulated by my colleagues, and their reasoning, I am sure, has persuaded many hon. members to oppose the bill. Any doubts hon. members may have harboured I expect have been resolved by the hon. member for Lisgar and other hon. members.

As to the Wheat Board, I am not opposed to it. The Wheat Board, like many organizations which have been around too long, has suffered from a hardening of the arteries. It was not doing the job it ought to have done and it took some prodding and pushing to compel the Wheat Board to do what it has been doing reasonably effectively in recent months. The prodding and pushing of the Wheat Board from this side of the House has resulted in the Wheat Board showing a great deal more virility than I thought in the last few years it would display. I am still reserving my judgment in that regard.

I have given some reasons which compel me to vote against this amendment. However, there is one more. I think we should postpone doing what is suggested until we have considered other ways of helping the farmers involved, particularly those in the rapeseed industry. An inquiry is going on at present into the possibility of including the rapeseed itself as well as rapeseed products in those items for which cheaper transport rates will apply. I should not have said rapeseed; I ought to have spoken of rapeseed oil and the by-products of rapeseed. The inquiry

is to determine whether those products are to be transported at cheaper rates.

Now, I come to the question as to how it was possible for my party a number of years ago to improve the situation of rapeseed growers in this country. I mention this because the hon. member in whose name the amendment stands gave an interesting historical dissertation about the marketing of rapeseed. One cannot disassociate the marketing from transportation. As we know, what happened was this: during the last war rapeseed oil was used, I believe, as a substitute for normal marine lubricants. In the last war, because of difficulties in transportation, certain marine lubricants were withdrawn from Canada and, so, rapeseed oil was developed for that purpose in this country. The Wheat Board—hon. members are at liberty to correct me if I am wrong—undertook to pay, I think, six cents a bushel for rapeseed and undertook to take all of that commodity that farmers during the war years could produce. When the war was over it was possible to bring to Canada again marine lubricants. Consequently, as demand fell, rapeseed was almost phased out of existence. I was interested in this matter because, in the Peace River part of northern Alberta as well as in northern Saskatchewan, many farmers, under strong pressure to diversify their production, had grown rapeseed and became concerned when support was withdrawn. The Liberal government of the day did nothing except sit back and allow the production of rapeseed in this country to decline to nothing at all.

• (1500)

A great many efforts were made by farmers in the west to get the government to act, including a very active intervention by a former Liberal member of this House from the province of Saskatchewan, Mr. Ross, who I think lived in the city of Moose Jaw. Through his intervention I became interested in the matter even before I became a member of this House. When I became a member of the Conservative party, which at that time was in power under the leadership of the right hon. member for Prince Albert (Mr. Diefenbaker), we persuaded the government to declare rapeseed a grain within the meaning of the Railway Act and carry the Crowsnest pass freight rates. This resulted in a substantial saving for rapeseed growers in the west and helped put rapeseed back into production.

We persuaded one farmer to take his case to the Board of Transport Commissioners as it was then constituted. As a member of the bar, I handled the case. A number of Conservative Members of Parliament were called as witnesses and gave evidence. We could not find members of other parties who were prepared to give evidence or help us at that time. The case before the Board of Transport Commissioners concerned whether rapeseed was a grain within the meaning of the Railway Act, because if so it would qualify for a cheaper freight rate to ports for overseas shipment.

We did not win the case but we made such an impression that the then government of the right hon. member for Prince Albert, with the hon. member for Prince Edward-Hastings (Mr. Hees) as Minister of Transport, became interested in the matter. We ultimately succeeded in persuading the government: it took some pressure but we were able to do it. That Conservative government

[Mr. Baldwin.]

listened to proposals, something that the present government obviously does not do. The government of the day was persuaded to amend the Railway Act and declare rapeseed to be a grain. As a result, rapeseed in western Canada again became a product of considerable importance. We are back in the same situation, only now the issue concerns the by-products of rapeseed—rapeseed oil, meal, and so on. The important thing today is to develop both a domestic and an overseas market. In order to do this there must be a reduction in transportation rates. That is where the situation stands.

If this government would direct its attention to the matter, and if my friends in the New Democratic Party, who have some interest, would bend their efforts to support us, the necessary legislation would be brought forward. Litigation probably will not be successful; we need a further amendment to the Railway Act to provide cheaper transportation for the by-products of rapeseed. If that is done we will have gone a long way toward solving this problem.

Rapeseed is a very important commodity in western Canada, particularly in my part of the country, in parts of northern Saskatchewan and Manitoba. Through the very assiduous assistance of the Department of Agriculture this crop has advanced to the stage where new strains are being developed. We have eradicated many of the problems which existed in the first stages of rapeseed production.

The minister should persuade his colleagues to introduce legislation in order to obtain cheaper freight rates for rapeseed by-products, both for domestic sale and for export. If this is done the need for amendments such as the one we are considering will probably vanish. If it is not done by this government it will be done by our government after the next election. In that expectation I shall not support this amendment.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Boulanger): The question is on motion No. 1 moved by the hon. member for Saskatoon-Biggar (Mr. Gleave). Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Boulanger): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Boulanger): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Boulanger): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Boulanger): Pursuant to Standing Order 75(11), the recorded division on the proposed motion stands deferred.

Hon. Otto E. Lang (Minister of Justice) moved:

That Bill C-204, to amend the Canadian Wheat Board Act, be amended by adding, immediately after line 13 on page 9, the following clause:

"7.1 Section 46 of the said act is repealed and the following substituted therefor:

Coming into force

'46. Sections 13, 14 and 15 shall come into force on a day to be fixed by proclamation.'"

He said: Mr. Speaker, the motion standing in my name is purely technical in nature. It is designed to renumber a number of sections, and I commend it to the House.

The Acting Speaker (Mr. Boulanger): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Boulanger): I declare the motion carried.

Motion (Mr. Lang) agreed to.

Hon. Otto E. Lang (Minister of Justice) moved:

That Bill C-204, to amend the Canadian Wheat Board Act, be amended by striking out lines 19 and 20 on page 9 and substituting the following:

Coming into force

"9. (1) This act, except section 7.1, shall come into force on a day to be fixed by proclamation.

Idem

(2) Section 7.1 shall be deemed to have come into force on July 15, 1971."

The Acting Speaker (Mr. Boulanger): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Boulanger): I declare the motion carried.

Motion (Mr. Lang) agreed to.

The Acting Speaker (Mr. Boulanger): The House will now take the division of motion No. 1. Call in the members.

The House divided on motion No. 1 (Mr. Gleave) which was negatived on the following division:

[*Division No. 42*]

YEAS

Messrs:

Benjamin	Gilbert
Broadbent	Gleave
Burton	Harding
Knowles (Winnipeg North Centre)	Orlikow
Latulippe	Rondeau
Lewis	Rose
MacInnis (Mrs.)	Rowland
Mather	Thomson (Battleford-Kindersley)
Matte	Winch—18.

Division

NAYS

Messrs:

Alkenbrack	Lundrigan
Allmand	Macdonald (Rosedale)
Badanai	MacGuigan
Baldwin	MacInnis (Cape Breton-East Richmond)
Barrett	Mackasey
Béchard	McBride
Bell	McGrath
Blouin	McIntosh
Boulanger	McKinley
Breau	McNulty
Buchanan	Mahoney
Cantin	Marceau
Clermont	Marshall
Cyr	Monteith
Deachman	Munro
Diefenbaker	Murta
Drury	Orange
Dupras	Osler
Éthier	Peddle
Forget	Pepin
Foster	Richard
Francis	Richardson
Gibson	Roberts
Gillespie	Roy (Laval)
Guay (St. Boniface)	Rynard
Guilbault	Schumacher
Gundlock	Serré
Harkness	Sharp
Hopkins	Simpson
Howard (Okanagan Boundary)	Smith (Northumberland-Miramichi)
Isabelle	Smith (Saint-Jean)
Kaplan	Southam
Korchinski	Stewart (Cochrane)
Lachance	Stewart (Marquette)
Lang (Saskatoon-Humboldt)	St. Pierre
Langlois	Sulatycky
Lefebvre	Thompson (Red Deer)
Legault	Trudeau
Lessard (Lac-Saint-Jean)	Turner (London East)
L'Heureux	Turner (Ottawa-Carleton)
Loiselle	Wahn
	Walker
	Woolliams—84.

• (1530)

Mr. Speaker: I declare the motion lost.

Hon. Otto E. Lang (Minister of Justice) moved that Bill C-204, to amend the Canadian Wheat Board Act, as reported from the Standing Committee on Agriculture, be concurred in.

Motion agreed to.

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

Some hon. Members: By leave, now.

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

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

Mr. Deachman: I rise on a point of order, Mr. Speaker. While the bells were ringing there was discussion and I believe there is agreement on all sides of the House concerning the business for the balance of the day. It is suggested that we now move to the second reading of Bill C-215, to amend to the Pension Act, and when that has been disposed of that we move to Bill C-195, to amend the Adult Occupational Training Act. The hon. member for Gander-Twillingate (Mr. Lundrigan), who has a private member's notice of motion standing in his name today, graciously consented to give up the time.

Some hon. Members: Hear, hear!

Mr. Deachman: This would permit us to continue with these items of business until the end of the day.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, the chief government whip has correctly stated what we have agreed upon, with the understanding that if we finish both these items before five o'clock we shall call it five o'clock.

Mr. Speaker: I assume this to be with the consent of the hon. member for Gander-Twillingate (Mr. Lundrigan).

Mr. Bell: Mr. Speaker, the hon. member for Gander-Twillingate is not giving up anything. His notice of motion will stand until next week; it is to hold its position. I hope this is understood.

Mr. Speaker: It is understood.

* * *

PENSION ACT

AMENDMENT TO INCREASE NUMBER OF COMMISSIONERS AND AD HOC COMMISSIONERS

Hon. Donald S. Macdonald (for the Minister of Veterans Affairs) moved that Bill C-215, to amend the Pension Act, be read the second time and referred to the Standing Committee on Veterans Affairs.

Mr. Lloyd Francis (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, the purpose of this bill is to authorize an increase in the number of commissioners who may be appointed to the Canadian Pension Commission. The need for additional commissioners arises from a sharp increase in the number of applications from veterans for disability pensions, for increases in pensions or for related benefits. The 1971 amendments to the Pension Act provided many additional benefits which were not previously available. They also provided that applications which had been considered and not fully granted could be reopened even if they had previously gone to final appeal.

In the 12 months following these amendments, the Canadian Pension Commission ruled upon some 6,200 claims for pension entitlement and close to 60,000 cases concerning various ancillary benefits. Nevertheless, by late May, 1972, a backlog of 8,000 pension applications were awaiting adjudication. This means that even if no further applications were to be received, it would take the present commissioners about 16 months to process the claims on hand. The commission had anticipated that the flood of new applications would have subsided months ago, but they are still being received at the rate of over 800 each month and there is no indication of any decrease in the rate.

Any applicant who has received an adverse decision in the initial review is entitled to have his claim heard further by an entitlement board composed of three of the commissioners. These entitlement boards are held in various centres in Canada and the applicant may appear with his witnesses and his advocate. The volume of hearings required will mean that at least three boards will be on the road for at least 40 weeks a year. This, of course, will deplete the number of commissioners available to consider initial applications and for other work. If intolerable delays are to be avoided, and they must be avoided, the number of commissioners must be increased.

The present act provides for the appointment by the governor in council of not more than 12 commissioners for terms of up to ten years, and of not more than five ad hoc commissioners for terms of one year subject to renewal. The maximum numbers of both commissioners and ad hoc commissioners are now serving. The new bill will therefore raise the maximum number of commissioners from 12 to 14, and the maximum number of ad hoc commissioners from 5 to 10. The need for this additional number of commissioners is expected to continue for at least five years.

Mr. Speaker, unless the number of commissioners is increased, the situation would reach a point where it would take years before a claim could be adjudicated upon. I am sure hon. members will agree that such lengthy delays would be completely unacceptable and that Canada's veterans are entitled to have their cases heard as expeditiously as can be arranged. Therefore, I am confident that members on all sides of the House will lend their support to this bill.

• (1540)

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I do not think the parliamentary secretary need worry about the length of time that we will debate this bill, because it is something we have asked for in committee and it reflects a non-partisan approach to veterans' problems. I asked in committee at the beginning of this session what the backlog was, and I was told it was 7,000 to 8,000 cases. We asked why more members could not be added to the commission.

I am glad that the new minister has taken this step. We commend him for the sympathy he has displayed at committee meetings when the problems of veterans have been brought to his attention. I only wish to ask why the increase is only from 12 to 14 members. I am sure there are a number of retired people who were on pension boards who could come back for a certain length of time to deal with the backlog of 8,000 cases.

For some reason we seem to forget the human consideration that the veterans of World War I are now in the 70 to 75 age bracket and veterans of World War II are now between 50 and 60 years of age. We must deal with the applications that they have submitted. We have estab-

lished new, relaxed provisions under the benefit of the doubt clause but I fail to see why that clause is not accepted for what it is. The commission is still looking for evidence, but if we are to give veterans who are 70 years old any benefit of the doubt, let us do so.

One section that continues to present a problem to War Amputations of Canada is section 57(3) which deals with veterans who have to wear a prosthesis. There are still many weaknesses in the act. I could mention the exceptional incapacity allowance and the Veterans Land Act, despite which many veterans do not have a house, but I feel that section 57(3) has priority and I will deal mainly with it.

This section of the Pension Act was the subject of considerable discussion when the amendments which were approved on March 30, 1971, were before the House. It is a relatively minor provision, but it has effectively deprived some of our seriously wounded veterans of an exceptional incapacity award. The prime example is the double below-knee amputee who can wear artificial legs. The commission, in applying section 57(3), must take this into account, with the result that under ordinary circumstances no award is approved in these cases.

War Amputations of Canada has been following this matter closely since it was first noted in the draft bill C-203. Members of the committee received a letter from this association; perhaps all members received it. it was dated February 19, 1971, and called the proviso "offending". It stated that the exceptional incapacity allowance "may be decreased if pension authorities decide that the disability can be lessened by wearing a prosthesis". The former minister of veterans affairs replied to this letter on February 25, 1971. I quote from his letter as follows:

—examination of the pertinent provisions in this bill, as amended by the standing committee and approved by the House of Commons, does not reveal any basis for reduction of allowances unless the pensioners unreasonably refuses to undergo medical treatment or use a prosthesis.

I do not know how we go about producing supporting documents, but in the interest of getting this bill through I will not take the necessary action because the letters and representations are on file. This letter arrived while Bill C-203 to amend the Pension Act was before the other place. The War Amputations officials decided, on the strength of the minister's letter, that their fears were groundless and that no deduction would be made unless the amputee unreasonably refused to wear his prosthesis. They had no objection to this latter stipulation.

However, on April 26, 1971, the chairman of the Canadian Pension Commission advised War Amputations of Canada that indeed the new section 57(3) would mean that the commission would pay an exceptional incapacity award to an amputee who could not wear his prosthesis "at face value", but that where the prosthesis was worn this would have to be taken into account in assessing the eligibility of such an award. I have supporting documents in this respect.

The next step was when War Amputations of Canada placed the matter before the newly created pension review board for an interpretation, claiming that during the parliamentary process, including hearings of the Standing Committee on Veterans Affairs, it was not made entirely clear that a deduction would be made if the pensioner wore an artificial limb and that basically the discussion during this process centred around prostheses which were a medical necessity, such as a heart-pacer and a ball-bearing in the hip joint. It is difficult to say more, because this is something that causes veterans much suffering. I am sure that veterans appreciate this fact better than anyone.

Unfortunately, the pension review board had to conclude that the wording of the act is clear, and that unless the act is changed the commission has no alternative but to make a deduction if the man is wearing an artificial limb. At any other time I would introduce an amendment, but I will not do so now and, hopefully, the Minister of Veterans Affairs (Mr. Laing) will take our representations into consideration in the next session.

The inclusion of the subsection has placed the Canadian pension administration in a ridiculous light before rehabilitation experts throughout the world. In this regard I should like to quote from a letter written by Dr. Henry Kessler of the world renowned Kessler Institute for Rehabilitation in West Orange, New Jersey. The letter is dated December 2, 1971, and reads:

—I am appalled by the action of the Canadian Pension Commission with respect to their deduction of the exceptional incapacity allowance for persons who use prostheses.

Throughout the history of social legislation, particularly workmen's compensation as far back as 1883, various countries concerned with this problem have given a liberal interpretation to the incapacity suffered by individuals who have had double leg, double arm or one leg and one arm amputations.

This has been reflected in the principle which is referred to as "absolute incapacity". On that basis, 100 per cent incapacity was allowed; first determination was generally made with or without prostheses.

The basis of this principle was not so much the vocational incapacity as it was the gross impairment in carrying out activities of daily living or the routine pursuits of life.

I am told that this particular proviso affects possibly 150 to 200 of the most seriously disabled veterans in Canada. It is contrary to all principles upon which our pension law is founded. Our Pension Act is intended to encourage a man to rehabilitate himself, yet we have a subsection of the act which gives more benefits to a man who prefers to stay at home in a wheelchair than to an amputee who puts on an artificial leg and goes out to earn his living.

Secondly, our pension law has always contained an incentive clause which provides, in effect, that if a pensioner tries to improve his financial situation in any way he will not be penalized for pension purposes. Yet we have section 57(3) which provides, in effect, that if the pensioner does persist, despite the discomfort and inconvenience involved, in attempting to walk on wooden legs or to wear a set of iron hooks for hands, his income will be reduced in comparison with the amputee who simply gives up and does not wear his prosthesis. Even in the latter case where the commission could rule that the man unreasonably refused to wear the prosthesis, he would only lose half of his award, whereas the man who struggles to use the prosthesis gets no award at all.

• (1550)

For some reason, Mr. Speaker, we spend years and years dealing with the problems and incapacities of veter-

ans, but after all this we still find there are situations we have overlooked. I share the blame for this, with everybody else in this chamber. However, I feel that Bill C-215, which provides for an increase in the number of people on the pension board, is a good measure, and on behalf of my party I wish to say that we support it.

I hope the Minister of Veterans Affairs will take into consideration what I have said after he reads *Hansard* and will make the improvements that are recommended by the Standing Committee on Veterans Affairs. I trust that as soon as possible an amendment will be introduced to the act to take care of our war amputees and the many other cases with which we have not dealt. But we support this bill 100 per cent.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we warmly welcome this bill and we shall be glad to give all the co-operation we can to ensure that it will soon become law. As the hon. member who preceded me pointed out, many of us on the Standing Committee on Veterans Affairs began asking quite a while ago for an increase in the number of commissioners to administer the Pension Act so that a serious effort might be made to catch up with the backlog of cases which has resulted because of the improvements in the Pension Act that were made last year.

The Parliamentary Secretary to the Minister of Veterans Affairs (Mr. Francis) has given the appropriate statistics, and there cannot be any question but that this increase in the number of full-time commissioners and in the number of ad hoc commissioners is sorely needed. Like the hon. member for Humber-St. Georges-St. Barbe (Mr. Marshall), I wonder whether the number should not be even greater. Perhaps we can discuss that when the bill gets to committee. It would seem to me that the number of ad hoc commissioners might be increased to a higher maximum than the ten proposed in this bill. These are the ones who are engaged for a year at a time. In view of the fact that in recent months the backlog has been growing, perhaps we should make a real effort to put enough people on the job to catch up with the backlog. However, as I say, that is a point we can discuss in committee.

Like the hon. member who preceded me, we are terribly conscious of the fact that there are still other things that need to be done for our veterans. Like him, we feel that there should be the most generous administration possible of the exceptional incapacity allowance which was provided in the Pension Act last year. Like him and all other hon. members, we are most anxious that something be done very soon about the basic rates of war disability pensions, and also about the basic rates of the allowances paid under the War Veterans Allowance Act. However, those matters do not come within the purview of this bill, and therefore I shall not transgress the rules by trying to bring them into this debate. This proposal to provide additional commissioners is one we have been asking for; it is commendable. We appreciate the action of the new minister in presenting this bill and we are happy to give it our wholehearted support.

[Mr. Marshall.]

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, we are quite happy to support this legislation and we hope that it will benefit all veterans.

[*English*]

Mr. Maurice Foster (Algoma): Mr. Speaker, I would just like to add a word to the debate on Bill C-215, to increase the number of commissioners on the Canadian Pension Commission. As chairman of the Standing Committee on Veterans Affairs, it became very apparent to me during the study of the estimates that the backlog of claims before the commission was getting out of hand. I believe that at the time of the committee hearings in February it was reported that there was a backlog of some 5,000 claims. Today it is reported by the parliamentary secretary that the backlog has grown to 8,000 claims. As a result of the improved benefits provided under the act last year, we now face these additional claims. Also, there are improved benefits waiting for veterans. Here we can think of those sections of the act that were improved, including the exceptional incapacity section, the benefit of the doubt section and the section providing special benefits to Hong Kong prisoners of war.

Under the provisions of this bill the number of ten-year appointed commissioners will be increased from 12 to 14, and of ad hoc commissioners from five to ten. The hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) and the hon. member for Winnipeg North Centre (Mr. Knowles) have suggested that these numbers could be increased further. I would hope that if the committee can have the bill referred to it today we can have a meeting of the committee on Monday evening, at which the departmental officials and the minister or his parliamentary secretary will be able to give us more information on how they think the backlog of claims will be cleared up by the addition of seven new commissioners, which I calculate makes an increase of 50 per cent in the number of commissioners handling claims.

The real danger that faces us if this bill is not passed during the next week is that all the benefits that will accrue to veterans from the amending legislation which was passed last year will be lost, because if they have to wait 16 months or longer to have their applications processed by the commission, they will not be very happy, even if the ultimate award is satisfactory. Therefore, I wholeheartedly support the bill and hope we can give it second reading this afternoon.

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

Some hon. Members: Question.

Motion agreed to, bill read the second time and referred to the Standing Committee on Veterans Affairs.

• (1600)

ADULT OCCUPATIONAL TRAINING ACT

AMENDMENTS RESPECTING ELIGIBILITY REQUIREMENTS TO RECEIVE ALLOWANCES—AUTHORIZATION OF CONTRACTS WITH EMPLOYERS

The House proceeded to the consideration of Bill C-195, to amend the Adult Occupational Training Act, as reported (without amendment) from the Standing Committee on Labour, Manpower and Immigration.

Mrs. Grace MacInnis (Vancouver-Kingsway) moved:

That Bill C-195, to amend the Adult Occupational Training Act, be amended in clause 1 by changing the period at the end of line 10 at page 1 to a comma, and by adding immediately thereafter the following words:

"including a woman who is engaged in the domestic services of her home whether or not she has at any time been a member of the labour force.

She said: Mr. Speaker, in order to explain the background and the reason for introducing this amendment I shall have to go back a little in history. The amendments being introduced by the minister are to the Adult Occupational Training Act, 1970. My amendment would apply to clause 3, the definition section of that act, which now reads as follows:

In this part

"adult" means a person whose age is at least one year greater than the regular school leaving age in the province in which he resides;

"adult eligible for a training allowance" means an adult who

(a) has been a member of the labour force substantially without interruption for not less than three years, or

(b) has one or more persons wholly or substantially dependent upon him for support.

The way that clause reads, without the bill which the minister has introduced, has been a source of great trouble and difficulty to women across this country. Many women have needed to go out into the labour force, not only to receive training but to obtain the allowance while taking the course. One type of woman affected by this legislation is the single-support mother who because she was unable to get the training allowance and was not able to afford any kind of babysitting or housekeeping service could not go out to work and, in any case, was not eligible because of the three-year requirement. Other women were also affected adversely. Recommendation No. 130 of the Report of the Royal Commission on the Status of Women reads:

—we recommend that section 3(b) of the federal Adult Occupational Training Act be amended so that full-time household responsibility be equivalent to participation in the labour force in so far as eligibility for training allowances is concerned.

Mr. Speaker, for several years I have been trying to achieve exactly the same sort of thing as is contained in that recommendation, and I have had a bill on the order paper to amend this clause. My bill, C-143, referred to section 3 of the act to which I added the following:

(c) without restricting the generality of the foregoing, the words "labour force" includes a woman who has been engaged in the domestic services of her home for a period of not less than three years.

In other words, Mr. Speaker, I wanted the definition to make sure that a woman who had been engaged in looking after the domestic services of her home for a period of three years would be considered to have been a part of the labour force and consequently eligible not only for training but for the training allowance. I realize very well that the minister has been besought and besieged by groups of women and has been embarrassed by the recommendation of the Royal Commission on the Status of Women. In this new Bill C-195 he has sought to correct this particular form of discrimination against women in the home. Clause 1 of the new bill provides:

1. Section 3 of the Adult Occupational Training Act is repealed and the following substituted therefor:

"3. In this part, "adult" means a person whose age is at least one year greater than the regular school leaving age in the province in which he resides."

Anyone who reads that is apt to wonder why I am now seeking to introduce an amendment, because they could assume that it is plain that an adult is a person whose age is one year greater than the school leaving age in the province in which he resides, and presumably a woman is an adult. It might be asked why I want this spelled out. That is what I want to make plain this afternoon, Mr. Speaker. As it reads now, this section leaves it wide open that women can get training and allowances presumably on the same basis as male adults. I know the minister intends that in his legislation because he has been very sympathetic to this approach, but I am moving this amendment because women all across the country are concerned that they have not been able to get specific guarantees from the minister that this is so.

I should like to put on record the reasons I am worried enough to bring in this amendment. When the regulations to this bill come out, unless they are clear and definite on this point, women—and some men, too—will be asking me where I was when the legislation went through. They will ask, "Why didn't you get it clarified beyond any doubt?"

On May 4, when the minister introduced the report of the Royal Commission on the Status of Women to this House, he said:

The bill to amend the Adult Occupational Training Act which received first reading last week in the House of Commons will provide women—

The minister did not underline this, but I will.

—who have worked one year at any time in their lives the opportunity to receive training as well as training allowances for the first time.

The minister knows as well as I do that any woman, except a few parasites, has worked more than one year at any time in her life. I could not help but conclude that the minister still had in mind the idea of the labour force and the necessity of being part of the labour force in order to qualify. Listen to these words again:

—the bill will provide women who have worked one year at any time in their lives—

That can only mean they have worked for one year in the labour force in their lives; it does not make sense otherwise. All women have worked more than one year in their lives, Mr. Speaker.

—the opportunity to receive training as well as training allowances for the first time.

I replied for our party to the ministerial statement. I asked the minister about this and he nodded his head in

affirmation. I said I hoped that *Hansard* would record the nod. I might have had my fears allayed by that nod. But on May 5, during second reading of Bill C-195, an act to amend the Adult Occupational Training Act, the minister said:

> I think the change will do much to remove the unintentional discrimination that has been directed toward women in the work force. The three year work rule made it extremely difficult for the department to help upgrade a widow or a woman who, for one reason or another must return to work to support her children, a chronically ill husband or someone else in her family by providing such simple courses as shorthand, typing, dictation and other work of this nature.

• (1610)

The words "must return to work", if they are to mean anything, must be construed as "must return to work in the labour force". That is the only possible meaning one can give them. Again, this made me worry about the type of regulations that will come down. I wondered if they would be clear, or would lead to all sorts of red tape or wrangling as has happened in far too many cases where discrimination has been involved.

I do not think the minister used those words intentionally; but he used them, and that is what worried me. He suggested this will make it easier for women who must return to work, to do so. I suggest that such provision will not help those women who want to take advantage of this legislation but who have never been members of the work force. I am talking about women who married when they were young and perhaps had children, perhaps the husband has died, perhaps the husband is chronically ill or is a drunkard or helpless and is not much use as a breadwinner. Women in that position desperately need training and the training allowances without which they cannot make the necessary arrangements that will permit them to be away from home while they are undergoing training.

I wish the minister would listen, Mr. Speaker, because I shall present one or two further pieces of evidence in support of my contention. On being questioned by the hon. member for Yorkton-Melville (Mr. Nystrom), a member of my party, on whether farmers' wives or housewives on farms would qualify for manpower training allowances under this act, the minister said:

> I will answer that in my usual direct fashion by saying that when we get to the committee stage the whole question of women in the work force will, I am sure, be thoroughly discussed.

Then he said that no doubt we should want to ask some basic questions about the definition of one-year training and whether or not work done in the home by the farmer's wife, for example, or a woman in a similar situation could be defined by regulation. That statement worried me because the question was not answered. Here, again, the minister could have given a categorical yes or no answer; but he did not, and that worried me.

I read the report of the Royal Commission on the Status of Women, a report which was so carefully prepared by Mrs. Paltiel under the direction of the minister, and found on page 23 this reference to amendments to the Adult Occupational Training Act:

> This would remove a major obstacle and vastly improve the opportunities for training for women who require it for re-entry into the labour force.

[Mrs. MacInnis.]

Again, the significant words are "for re-entry into the labour force". When I saw this last piece of evidence—and one must admit, Mr. Speaker, that I am not presenting merely a single piece of evidence—I could not help but worry again. I worried precisely because in the time I have spent here I have learned that provisions must be spelled out clearly in legislation, otherwise regulations over which we exercise no control whatever may be fudged-up or so confusing and messy as to lose sight of the end the legislation was intended to bring about.

So I say to the minister, through you, Mr. Speaker, that the women of this country want their rights in this act spelled out so that they are clear beyond any doubt. I introduced my amendment because women of this country have had a long, hard fight asserting their rights, and the right enshrined in the amendment is tremendously important for women. Many women across this country need the benefits of this legislation. Women in the home, in the cities and in the country want to supplement the income of the home. They might be the only breadwinner in the home, or perhaps the husband is a cripple, helpless, or no use as a breadwinner. Women need this legislation for supplementing the income of the home.

Therefore, Mr. Speaker, I ask the minister to make a clear and definite statement this afternoon on whether the definition of a person who is to be eligible for training and training allowances is to include a woman "who is engaged in the domestic services of her home whether or not she has at any time been a member of the labour force." That is the definition for which I press. I want this language in the act to be clear and plain. I trust the minister will do as I ask, on behalf of thousands of women across this country who want to know whether they will be eligible for the training allowance or for training once this act is proclaimed.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, one would be entitled, if one were judging the remarks of the hon. member for Vancouver-Kingsway (Mrs. MacInnis) and the amendment she has proposed, to conclude that an election is just around the corner. She wants to include apparently, "woman" in the definition of "adult". Apparently the hon. member is implying that women are not persons, since the bill as now drawn says that an adult means a person. I have the greatest respect for people who fight for the rights of groups in the country even though one group may include 50 per cent of the population, the women of the nation. On the other hand, I think hon. members would agree that any attempt to segregate groups of people in legislation like this amounts to a form of discrimination.

I will not become involved in that question because I am sure the minister will want to raise it when he speaks. I have been the recipient of much commentary, especially since the publication of a recent article which, unfortunately, misrepresented my views.

An hon. Member: You should read it carefully.

Mr. Lundrigan: It was printed recently in a national magazine. It purported to represent my views on the basis of my talking to certain groups of women across the country and in various parts of the Atlantic region.

Mr. McBride: There has been a great change in the hon. member.

Mr. Lundrigan: The hon. member from Arnprior who represents Lanark-Renfrew-Carleton has been very active in the House in the last few months. I wonder how things are in the valley. I am sure the House will be delighted to hear about some of the rallies the hon. member has attended, which it might be in order to put on the record although perhaps the hon. member would not wish the matter to be debated. In any event, I have the greatest respect for the minister and the government for the moves made to eliminate various types of discrimination against women in the labour force. In this category we must include all women who participate actively not only in the work force but in any capacity in Canadian life. So I do not think we ought to talk about the special status of any group, be they young people, old people, women, males or anybody else. Once you put people into special compartments, you are discriminating. I like to think that in legislation like this, which I think reflects the attitude of the Canadian people—that is the important aspect of this question—we can eliminate discrimination so that we need not introduce special status for anyone, as the hon. member for Vancouver-Kingsway has attempted to do, I am sure for good reason. If she wants to emphasize an area of discrimination and place before the Parliament of Canada her views, then naturally she is entitled to do so. I would be disappointed if she did not hold strong views on women's movements and women's rights in Canadian society. However, I do not think her proposal is other than discriminatory. I will not elaborate because I am sure the minister will want to touch on this point.

The fact is that Bill C-195 is a progressive step. We have talked about it for a long time. I could say, as the hon. member for Winnipeg North Centre (Mr. Knowles) likes to say, that we introduced such legislation six years ago, four years ago, three years ago, and finally the government has adopted it. I will not do that. I think all members of the House agree that eliminating discrimination in the labour force is a move in the right direction.

Once again, we urge the minister and the government to look at the 52-week requirement respecting adult occupational training. I am sure his officials will say that this matter has been handled with discretion and flexibility. I think the 52-week provision ought to be incorporated in this legislation so that we do not see a repetition of the stupid situation in which a person, having started a course, finds 52 weeks later, even before he is finished, that under the regulations his eligibility for participating in the program has ended. That stupidity must be eliminated, Mr. Speaker.

Including on-the-job training in Bill C-195 is a good move. This program has been successful. I have repeated my concern in this House and in committee. I am afraid that areas that are not well organized so far as the business structure is concerned—I am talking about the rural parts of the country—will not be able to take advantage of on-the-job training to the extent of the more structured parts of the country, unless there is some flexibility.

• (1620)

I cannot imagine a great deal of money flowing into northwestern Ontario under the on-the-job training program as compared to what will flow into Toronto which has a very well structured business community. The minister refers to on-the-job training in large companies such as Northern Electric. There it is no difficulty in bringing in on-the-job training of a sophisticated nature. I can see that happening in large businesses and well structured communities, but not in rural parts of the country.

I do not have this concern because I am from a rural part of the country: my concern is the same as that for a good bit of government legislation, including the recent announcement on housing policy. There seems to be greater emphasis on the urban and better structured parts of the country. Without making any announcement, the government is in fact de-emphasizing rural Canada. It is trying to eliminate rural Canada. That is what I am concerned about. This is one of the most fundamental, unwritten aspects of the government's policy. It has never been enunciated. However, if one looks at the various aspects of the legislative program of the past three years, he will see a good many areas in which the government is trying to legislate rural Canada out of existence. I will leave it at that and move on to another challenge on which the minister can comment either today or next week.

The minister referred to the fact that a number of activities of his department in the past six or seven months have had some effect on the economy. He referred to the several moves to help people in occupational training, the Local Initiatives Program, which is indirectly related to this bill, Opportunities for Youth and other areas in which his department has been trying to stimulate the Canadian economy. From day to day in the House we have expressed a good number of reservations, not on the programs introduced by the minister or on the philosophies underlying such programs as LIP but on the way the programs have been decided, brought into effect, the way Parliament has lost control and the fact that we have never been involved in establishing the criteria or determining the evaluating procedures. We have not been well informed on the whole spectrum of the programs.

The minister will have an opportunity in three or four minutes to tell the Canadian people whether he plans, aside from the legislation presently before us, to introduce within the next few days a program which I believe might be called CMOP. That is the first time that term has been used in the House of Commons. Is the minister familiar with CMOP? I understand it stands for Canadian Manpower Opportunities Program. Perhaps the minister is surprised to hear that expression coming from this side of the House.

I challenge the minister to tell the House whether the government has a plan to bring in that program, and whether it will give an undertaking to introduce that program in the House of Commons and have it duly debated in terms of funding, criteria and the whole process so that it will not become another Local Initiatives Program which is basically outside the jurisdiction of this House. I just throw this out to the minister. I do not say that all the decisions have been made with regard to CMOP. My source of information is not official; I have to

draw conclusions on what might sometimes be inadequate information.

The minister has a right to be proud of the work he has done. However, I ask him to give us a broad indication about the CMOP program which will be funded between $80 million and $100 million. I ask the minister to inform us before Monday, Tuesday or Wednesday of next week whether this program will be handled like other programs which may be very sound philosophically but on which Parliament has never had a chance to express itself. It therefore becomes a bureaucratic operation and handled in some ways without the just concern of the whole nation. I challenge the minister on this matter. Although it is not directly related to the bill in a specific sense, I am sure it is a matter with which he will want to deal.

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, I have taken note of some of the questions raised by the hon. member for Gander-Twillingate (Mr. Lundrigan). I hope I will be able, if not to answer them at least to allude to them on third reading, if the hon. member does not mind, because the business before us at this stage is specifically whether or not we are to accept the amendment introduced by a representative of the New Democratic Party. I listened with a great deal of interest to the forceful presentation of the young lady.

Some hon. Members: Hear, hear!

Mr. Mackasey: I always do. However, I was tempted very early in her remarks to suggest that the amendment was entirely out of order, as can be seen if one reads the bill carefully. I listened to her comments, and at the risk of appearing, certainly not flippant but rather crabby in my old age, I was left with the impression that the hon. member felt that she and she alone had any concern about women in the work force, and that she and she alone defined work as including domestic work or the traditional type of work that a busy mother has to do while carrying out her household duties. I can assure her that she has no monopoly on this type of thinking. Theoretically, she presumes she has that kind of monopoly.

It is a definition that in general I accept. I think many members of the House realize that housework of the traditional nature and type is work in the full sense of the word and that in part our lack of consciousness should have been recognized a long time ago and in many other fields. If I chastise the hon. lady on this, it is because I think that the whole thrust of her argument is that whenever I talk about work—apart from the times I talk about re-entry into the work force, or even when I talk about that—I talk about the work force excluding work in the home. On many occasions I have expressed the opinion of the hon. lady that work in the home is work in the work force. I will not belabour the point about the need of re-entering the work force.

The hon. member for Gander-Twillingate has quite logically and concisely dealt with, and I want to try to remain concise and precise, the question of whether the definition of "adult" includes people working at home, in the traditional sense. It is absolutely immaterial under the terms of Bill C-195 as it is now written. The argument is valid as far as the original act is concerned because the three-year rule did, very definitely, discriminate—unintentionally, I hope—not only against women but against other members of Canadian society who for one reason or another found their right to financial assistance while taking training courses jeopardized.

• (1630)

If hon. members would look at Bill C-195 and read the explanatory notes which showed the bill as it was prior to the proposed amendments, they would find that we had left out entirely the old section 3(b) which defined an adult. So under the new bill it is immaterial whether a person, male or female, was ever a member of the work force. Every bill defines an adult in a different way, depending on its purpose. The definition of an adult in Bill C-195 is a person whose age is at least one year greater than the regular school-leaving age in the province in which he resides. What we are saying is that a person, male or female, may never have been a member of the work force at any time. That is no longer a prerequisite to obtaining financial assistance. That no longer has any meaning under the present bill.

We have therefore gone further than the recommendation of the Royal Commission on the Status of Women in Canada that section 3(b) of the act be amended so that full-time household responsibility be equivalent to participation in the labour force as far as training allowance is concerned. We have eliminated discrimination of any kind. We do not want to substitute one kind of discrimination for another by setting up preferred groups. We shall not rectify the imbalance in Canada as between opportunities for men and for women in the final analysis by legislation. We have to rectify that discrimination by education. It is not by substituting well intentioned discrimination of one type that we shall eliminate discrimination of another. Many of us who feel this way are sometimes accused of being reactionary whereas, in fact, we see beyond the short range and do not wish to replace one type of discrimination by another, however well meaning. The bill as written eliminates discrimination entirely by removing section 3(b).

Having taken five minutes to say all that, I must recognize that the hon. lady has been one of the strong advocates of the total elimination of discrimination against women. Her career has been notable in this respect. Her speeches have often been directed to this end. Indeed, she has become synonymous with this battle which is only beginning but which at least is progressing along the right lines. I am sure that her amendment, which I think would be out of order, or at least it might be considered out of order because it is redundant, is nevertheless an honest attempt to bring to my attention as minister some of the ambiguities in my statements and to the fear she has that regulations may interfere with the intent of the law, although in practice a federal court would prevent that happening. Nevertheless, I am prepared to entertain, if the hon. lady feels this to be desirable, an amendment in her name—this is a tribute to the hon. lady, I can assure her, rather than the result of any fear I have of the bill as presently drafted—which would substitute one word for another in her amendment as set down. Thus, instead of reading, "including a woman who was engaged in the

domestic service of her home whether or not she has at any time been a member of the labour force," the amendment would read, "including a person who was engaged in domestic service at home," and so on.

Hon. members will appreciate that there are men engaged in domestic service at home, paraplegics and others whose wives go out to work and who maintain the home in a happy marriage situation. There are more of these people than we realize. So in my view the amendment should read:

—including a person engaged in domestic service at home whether or not such a person has at any time been a member of the labour force.

In this way we shall be removing the remote possibility of regulations ever limiting what the act intended. The amendment makes the point which the hon. member for Gander-Twillingate made so eloquently when he argued we should not substitute one type of discrimination for another, and in a way it recognizes, though perhaps after the fact, the contribution made by the Royal Commission on the Status of Women and its particular recommendation made at the time the officials of my department were drawing up these amendments.

I am not sure of the procedure, Mr. Speaker; I will leave that in your capable hands and I will gladly yield the floor to the hon. lady if she feels disposed to change her amendment along the lines I have indicated. I would then be quite prepared to second it.

Mrs. MacInnis: I wish to say right now that I find the minister's generosity very great. Not only is his generosity great, but his wisdom is much greater than mine because I infinitely prefer the word "person" in there rather than "woman". But I did not know the minister was prepared to look far enough ahead to the point at which men would be doing household work on a large scale along with women, and that is exactly how it should be.

Mr. Mackasey: You haven't been to my house.

Mrs. MacInnis: I accept the minister's suggestion with real pleasure and profit. I accept the minister's strictures concerning what is perhaps a positive attitude on my part in seeming to be more concerned about women than some other people are. I accept this criticism, but in order to gain anything one has to drive very hard against tradition. I may never have occasion to say this again, but I think that what the minister has done today in this regard at least is to introduce a bill which will be very much appreciated, not only by the women of this country but by the men who have wit enough to understand what he has done. I thank him very much.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, things I might have said are now not necessary to say, so I rise simply to ask whether the House will give consent to the motion on the order paper in the name of my hon. friend from Vancouver-Kingsway (Mrs. MacInnis) which I had the honour to second, being taken as though it read:

—including a person who is engaged in domestic services at home whether or not such person has at any time been a member of the labour force.

• (1640)

One could write out an amendment to change this, that or the other word, but it is crowding five o'clock and in view of the unanimity in the House the motion in the name of the hon. member for Vancouver-Kingsway, which I am still pleased to second, might be regarded as reading in the terms suggested by the Minister of Manpower and Immigration (Mr. Mackasey).

Mr. Deputy Speaker: Hon. members have heard the Minister of Manpower and Immigration (Mr. Mackasey) and the hon. member for Winnipeg North Centre (Mr. Knowles) suggest the way we should proceed. The Chair is in agreement, if hon. members are. Is there such consent?

Some hon. Members: Agreed.

Mr. Deputy Speaker: I will put the question, since that is agreed. The hon. member for Vancouver-Kingsway (Mrs. MacInnis) seconded by the hon. member for Winnipeg North Centre, moves:

That Bill C-195, an act to amend the Adult Occupational Training Act, be amended in clause 1 by changing the period at the end of line 10 at page 1 to a comma, and by adding immediately thereafter the following words:

"including a person who is engaged in domestic services at home whether or not such person has at any time been a member of the labour force."

Motion agreed to.

Hon. Bryce Mackasey (Minister of Manpower and Immigration) moved that Bill C-195, to amend the Adult Occupational Training Act, as reported (without amendment) from the Standing Committee on Labour, Manpower and Immigration, be concurred in.

Motion agreed to.

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

Mr. Lundrigan: Mr. Speaker, I suppose it is in order for an hon. member to say a word or two on third reading?

Mr. Deputy Speaker: Yes, of course it is in order. The minister pointed out that the hon. member dealt in his remarks with what he might have dealt with on third reading, and I am sure the minister might like to respond. I will, of course, see the hon. member for Gander-Twillingate (Mr. Lundrigan).

Mr. Lundrigan: Mr. Speaker, I deliberately put all my remarks in the one package because, unlike some hon. members, I do not want my name to appear in *Hansard* 17 times in one day, even if it means seconding motions or what have you. I understood that the minister was going to make a few remarks on third reading.

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, my first words on third reading are to thank the House for its courtesy in dealing with the report stage so rapidly. I think this was possible only because of the very exhaustive study we gave the bill in

committee. We often talk about bills that are of a non-partisan nature, and it is significant that these few minor amendments—I say minor; they are really major, if I may put it in that way—made to the original act passed in 1967, I believe, were both important and necessary.

It became very obvious to me earlier on, that these amendments should be made while looking at the same time at the act in its entirety with a view to amending the original act as fully and as soon as possible. Hence at the committee stage—I say this sincerely since I have a book full of notes in front of me—many points were raised by the representatives of the various parties, including the hon. member for Gander-Twillingate (Mr. Lundrigan) who has obviously specialized in manpower problems and is quite knowledgeable of the subject, perhaps more so than the minister since I have been in my present portfolio only a few months.

What I have tried to do during those few months, either directly or through my officials, including the new deputy minister, is to visit every province of Canada—certainly I have been in touch with every province—with the exception of Newfoundland which I intend to visit personally at the appropriate time of year, which should not be too far ahead in the future. I mean appropriate in terms of the fishing season, not election time. The general result of these visits has been a reawakening of enthusiasm about the broader aspects of the potential of manpower programs and the growing realization, not only at the federal level and within the federal department but at the regional level as well, of the important part that manpower must play, and will have to play in the future, if we are to achieve not only a quality of life that reflects reasonable unemployment figures but a quality of life that is reflected in the contentment and satisfaction of a well educated work force.

The hon. gentleman referred specifically and quite knowledgeably to a particular program, the initials of which he was able to pinpoint. I assure him that I have no intention of introducing tomorrow, next week or before the session ends, on motions or without advance warning, this kind of project in the form of a bill which would make possible this sort of future thrust by the Department of Manpower. In other words, it is not my intention to bring such legislation before the House.

The reason for this, I think, is self-evident. I happen to believe—this is only a personal opinion—that the Canada of tomorrow cannot afford a government that is extremely centralist in nature. I believe very strongly that in any legislation dealing with people, the federal government has a very strong and dominant part to play from the economic point of view. However, the provinces in turn have a particularly important role to play in the introduction of social legislation in this House, even though that legislation clearly lies within the federal field.

For example, just to use a hypothetical case, with any legislation dealing with the disadvantaged people of Canada it seems to me that input from the provinces and the various regions of the country would be of tremendous significance. We are all Canadians and all levels of government are dealing with the same people. However, if the type of co-operation and consultation that I see for the Department of Manpower in the future is to be at all meaningful, then such discussions certainly cannot be conducted in a secretive manner. Programs of an experimental nature would have to be developed in co-operation and conjunction with the input we receive from various provincial agencies and organizations.

Mr. Lundrigan: Mr. Speaker, might I ask the minister a question? He referred to the Canada Manpower Opportunities Program a little earlier and said that he would not be introducing any such program through the introduction of legislation or a statement on motions before the House closes. I ask the minister whether there is such a program, which he might be ready to unveil now or after the House closes some time this summer, which not necessarily involves opportunities such as training programs or education, if I might use that word which is not supposed to be used in the House of Commons, but mainly a works program? Does the minister have this kind of a program ready to unveil?

• (1650)

Mr. Mackasey: I will be a little evasive and say I have many programs to unveil and have to make up my mind what is the best program to unveil, if any.

Mr. Knowles (Winnipeg North Centre): You say that is just a little evasive?

Mr. Mackasey: It is very evasive, and necessarily so because programs depend on many factors. They depend on the approval of the government and the availability of funds. More and more they should, and will, at least in manpower fields, depend on the consent and co-operation of provinces and agencies. I am not prepared to say to what extent we have finalized, or whether to any extent we have finalized any particular program emanating from the Department of Manpower at this moment.

Mr. Lundrigan: I have one final question. I hate to interrupt the minister, but could he answer the second part of my question which had to do with presentation before the House of Commons of any program which he might, for example, have wished to introduced in May but deferred for obvious reasons and may want to introduce in the next couple of weeks, perhaps before the House closes? Could he give us some kind of undertaking that if such a program is introduced before the House of Commons rises, it will be brought before the House and debated at least to the point where as members of this House of Commons we can express ourselves on the extent of the program and on the criteria for evaluation procedures, and consider whether it is different from the type of program which the government has introduced in the last six or seven months?

Mr. Mackasey: I would like to be able to give that assurance, but I cannot. I will be honest and say I have no such program in my desk or in my drawer which I intend to introduce before the end of June, next week, before Parliament ends. What the hon. gentleman is saying is that he would like to see a program which affects Canadians—whether to offset unemployment, decrease or halt unemployment—so that all parties would have an input into that program before the fact rather than after the fact, their contribution after the fact sometimes being of a

critical nature, naturally. I cannot give that assurance. That is government policy, as the hon. gentleman knows. I think he is really pulling my leg, which he is quite adept at doing.

If he frankly asks me what the government intends to do next winter, if we are again plagued by unemployment, and whether we would embark on the same type of program we did last winter, I would have to say that at the moment I do not know. If he were to ask me, if I were to embark on the same type of program, whether I would use the same criteria I would have to say no, that we would benefit from the experience of the last winter which demonstrated tremendous success, as everybody knows, in alleviating hardship of short-term unemployment when we were able to put thousands of people through local initiative programs under the control or guidance of the Minister of Manpower and Immigration.

To summarize, I cannot give the hon. gentleman the assurance that all parties and all members would have the same type of input into a program, before the fact, as the cabinet and the government does. That is our responsibility. The hon. gentleman's responsibility, of course, is to criticize as constructively as possible, which he usually does in a very effective manner.

[*Translation*]

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

As he mentioned a while ago that he had consultations in all provinces, I would like him to tell us the results of his discussions with his counterpart of the province of Quebec.

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, these conferences with Quebec Labour Minister Cournoyer are presently in progress. I met the minister last Friday and there will be other meetings, I believe, in the near future with his officials.

At the moment, we are exchanging letters and documents and we have made some progress from one week to the other. Finally, I am convinced that I have done my duty and, as I wished to do, I have consulted as many provinces as I could, including Quebec, on all matters concerning Canadians, whether these bills came under federal or provincial jurisdiction, and sometimes under both.

[*English*]

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

Mr. Deputy Speaker: It being five o'clock, this House stands adjourned until Monday next at 11 a.m., pursuant to special order made this day.

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

HOUSE OF COMMONS

Monday, June 26, 1972

The House met at 11 a.m.

PRIVILEGE

MR. KNOWLES (WINNIPEG NORTH CENTRE)—DIVISION ON ESTIMATE FOR SENATE EXPENDITURES AS RECORDED IN "HANSARD"

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a question of privilege, notice of which I sent to Your Honour under the provisions of Standing Order 17(2).

Last Thursday night, in fact at about two-thirty o'clock on Friday morning, the right hon. member for Prince Albert (Mr. Diefenbaker) made the point that a vote once cast must stand and cannot be changed.

Mr. Diefenbaker: But I wasn't upheld.

Mr. Knowles (Winnipeg North Centre): Therefore I should like to draw the attention of Your Honour, the right hon. member for Prince Albert and other members of the House to the fact that as recorded on pages 3433 and 3444 of *Hansard* for Thursday, June 22, 1972, all of the Progressive Conservatives who were present voted with us against the entire appropriation for the maintenance of the Senate.

I have been trying for a long while to get support for this proposition. I welcome the fact that the Tories have now voted that way. Mind you, I am sorry for the hon. member for High Park-Humber Valley (Mr. Deakon) and the hon. member for Essex-Windsor (Mr. Whelan) because they are recorded as having voted for the Senate.

Mr. Speaker, I expect you may tell me that this is an error in *Hansard*. I certainly do not blame *Hansard* for any confusion during that long, sad night. But the point I wish to make is that in view of the dictum pronounced the other night by the right hon. member for Prince Albert I assume that the vote of the Official Opposition against the Senate must stand.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, if the hon. member can get any amusement out of that facetious statement, I have no objection. I shall not waffle.

Some hon. Members: Hear, hear!

* * *

BUSINESS OF THE HOUSE

METHOD OF CONSIDERATION OF REPORT STAGE MOTIONS ON FOREIGN TAKEOVERS REVIEW BILL

Mr. Speaker: Order. My understanding is that the House is to proceed this morning with consideration of the motions respecting Bill C-201. Perhaps the Chair might make some brief observations in relation to proposed or suggested groupings of some of these motions. I do not expect that all of them will be disposed of this morning, so there will be opportunities during the hours and perhaps days ahead to review possible groupings of these different motions.

In any event, after looking at these motions over the weekend the Chair would like to suggest that motions Nos. 1, 2, 3, 21 and 28 be combined for the purpose of debate, and that a division on motion No. 1 would also dispose of the other four motions. These motions appear to relate to the same matter. I think it would be difficult to have different debates on each one of these motions. I would think that one debate could very well cover the field of discussion in relation to Nos. 1, 2, 3, 21 and 28.

The next group would be motions Nos. 4 and 18 which could be combined for the purpose of debate, and a division on motion No. 4 would also dispose of motion No. 18.

Motions Nos. 5 to 9 inclusive might also be combined for the purpose of debate. Motion No. 5 might be disposed of separately. A division on motion No. 6 would also dispose of motions Nos. 7, 8 and 9. I do not think I should attempt to cover the whole field at this time, but perhaps I should at this point refer to motion No. 9. The printed version of this motion is incorrect. The corrected version should read as follows:

• (1110)

That Bill C-201, an act to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons, be amended as follows:

In subparagraph 3(3)(*c*) by substituting the figure 10 per cent for the figure 5 per cent in line 31; and in line 36 by substituting the figure 40 per cent for the figure 20 per cent.

Perhaps we might leave it at that for the moment and review the matter later after we have disposed of some of the motions to which I have alluded. Further groupings might be considered by hon. members in the meantime.

Mr. Lambert (Edmonton West): On a point of order, Mr. Speaker, I have found some difficulty in relating the amendments as they appear on the notice paper. They obviously relate to lineation and pagination of the reprinted bill, but in the haste of trying to get on with this debate hon. members, unfortunately, have not received the reprinted bill. My staff has been having a terrible time trying to tie in these amendments to the appropriate sections.

Mr. Speaker: My understanding is that the reprinted bill is included in the files that hon. members have at their desks at the present time. Perhaps we might deal only with the first one of the groupings which I think is quite obvious to any hon. member. This would give hon. mem-

bers an opportunity to think about the other groupings to which I have referred. In other words, I think there should be no objection to the suggestion that Nos. 1, 2, 3, 21 and 28 be combined for purposes of debate and be the subject on one division.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we accept the suggestion that motions Nos. 1, 2, 3, 21 and 28 be combined for the purposes of debate. While that debate is going on, Your Honour, we will be able to study the other groupings that Your Honour has suggested. We may agree to them as well but possibly we can defer our acceptance until later.

Mr. Speaker: A memorandum will be circulated among the House leaders in order that hon. members who are interested may suggest further groupings in advance. These will be proposed from the Chair in due course, but it might give hon. members a chance to look at the different motions and decide whether the groupings suggested by the Chair are logical and acceptable to hon. members.

Mr. Baldwin: On a point of order, Mr. Speaker, I was wondering whether the NDP proposes to withdraw any of its amendments in view of the development over the weekend?

GOVERNMENT ORDERS

FOREIGN TAKEOVERS REVIEW ACT

MEASURE TO CONTROL FOREIGN TAKEOVERS OF CANADIAN COMPANIES

The House proceeded to the consideration of Bill C-201, to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Speaker: We will proceed with motion Nos. 1, 2, 3, 21 and 28. Mr. Saltsman, seconded by Mr. Knowles (Winnipeg North Centre) moves:

That Bill C-201, an act to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons, be amended by inserting the following words after the word "economic" in subsection (1) of clause 2 on line 13 on page 1:

", political and social".

Mr. Burton, seconded by Mr. Knowles (Winnipeg North Centre) moves:

That Bill C-201, an act to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons, be amended by inserting the following words after the word "Canada" in subsection (1) of clause 2 on line 1 on page 2:

"and is likely to enhance the ability of Canadians to maintain effective control over their economic environment".

Mr. Knight, seconded by Mr. Knowles (Winnipeg North Centre) moves:

That Bill C-201, an act to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons, be amended by inserting therein, immediately preceding paragraph (*a*) of subsection (2) of clause 2 on page 2 the following:

"(*a*) the likelihood that the acquisition will enhance the ability of Canadians to maintain effective control over their economic environment;"

and by renumbering the subsequent paragraphs accordingly.

Mr. Knight, seconded by Mr. Knowles (Winnipeg North Centre) moves:

That Bill C-201, an act to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons be amended by inserting the following words after the word "Canada" in clause 9, subsection (1) on line 44 of page 17:

"and is likely to enhance the ability of Canadians to maintain effective control over their economic environment".

Mr. Broadbent, seconded by Mr. Knowles (Winnipeg North Centre) moves:

That Bill C-201, an act to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons, be amended by inserting the following words after the word "Canada" in subsection (6) of clause 18 on lines 20 and 21 on page 27:

"and is likely to enhance the ability of Canadians to maintain effective control over their economic environment".

Mr. Max Saltsman (Waterloo): Mr. Speaker, in moving motion No. 1, that the words "political and social" be added following the word "economic" in clause 2, I want to make the point that unless these words are included the bill is a farce. One of the reasons we are concerned about foreign ownership is that the so-called decisions affecting foreign ownership have been made on purely economic grounds or on what appear to be purely economic grounds.

The argument has always been that foreign ownership makes us richer and therefore, regardless of the consequences for the work structure and regardless of the political costs, it is desirable. I suggest, Mr. Speaker, that if the word "economic" were to stand alone in the preamble outlining the purpose of the bill, we would be right back where we were before except that the government now has legislation to justify doing what it has always done—permit unlimited foreign ownership in Canada. The criteria for permitting foreign ownership must be broader than economic. There are important arguments against foreign ownership on economic grounds alone, but I believe the criteria must go beyond that and so I have put forward this amendment.

We think it is important that this bill receive full debate. It has not received full debate because the government drummed it through the committee. They made no bones about their haste in getting it through the committee and curtailing the number of witnesses to appear there. Their argument was that the bill was so important that it had to be dealt with in that manner. I have not been able to accept that argument, nor have many other people in Canada. In its present form the bill is hardly worth passing; it is meaningless and in some ways it will be a step backward.

In looking at some of the actions that this government has taken regarding foreign ownership let us consider two cases that come to mind. There was the incident involving Denison Mines when the government stepped in—

Mr. Speaker: Order, please. I hope the hon. member proposes to relate his remarks to the motion before the House. The hon. member knows that if we have a general debate on every one of theses 28 or so amendments we will not in that way respect the rules. I would invite hon. members to relate their remarks to the motions actually before the House. If a general debate is to take place it should normally take place on third reading rather than on consideration of individual amendments. I appreciate that the hon. member's amendment is general in nature and perhaps his remarks do in fact relate to this motion, but I feel I should bring this point to the attention of all members at this time.

Mr. Saltsman: I appreciate your concern, Mr. Speaker, and I want to assure you that I am limiting my remarks to the particular aspect of this amendment. As I proceed I think it will become clear that I am doing so.

If we look at the two cases the government has stepped in to prevent a foreign takeover, Denison Mines and Home Oil, we have to wonder whether, if this legislation had been in force at that time, the government would not have permitted the takeovers rather than stop them. On purely economic grounds, the people who wanted to take over Home Oil could probably have made a very good economic argument on why foreign ownership of the company would be more desirable than Canadian ownership. The reason for prohibiting that takeover was that it had significance in other areas.

• (1120)

If this legislation had been in force the government would have said that the takeover clearly fell within the criteria of the legislation and therefore they were bound by the law and the takeover should be concluded. This is why I say that in some ways this legislation is worse than not having anything at all because the decision that the government had to make in regard to Home Oil was to a large extent a political rather than an economic decision. The nation was upset about the possibility of the last major Canadian oil company falling under foreign ownership. It was not upset about the economic indications alone but rather about the entire range of possibilities involved in such a takeover. The government, subject to this kind of public pressure and public concern, responded in the way it should have responded, namely, with a political act. If it could have hidden behind this kind of legislation, there are grave doubts whether it would have acted as it did.

Again, if we look at the Denison Mines situation, what was the reason for the government prohibiting the takeover of Denison Mines by a foreign investor? Was it an economic argument? I do not think so because the foreign investor could have made an excellent case why Denison would have flourished or sales of uranium might have been greater under foreign than under Canadian ownership. The reason the sale of Denison Mines to foreign ownership was prohibited was largely political rather than economic. I realize that to try to draw a line between economic, social and political considerations is very difficult, but in advocating this position I say that nevertheless these things have to be taken into consideration, and in those cases where the government stepped in they were in fact taken into consideration.

We do not know, even to this date, what the full story of Denison Mines was. We have never really had an explanation from the government of why it stepped in and prohibited the sale, but we can speculate. Suggestions have been made that the reasons were that if it came under foreign ownership perhaps some of our sales to foreign countries would have been affected. Our sales in the United States would have increased but our sales in other countries to which we are trying to sell nuclear reactors might have been affected because of American legislation that would come into play with the foreign owner. The foreign owner would in fact have been subject to the trading with the enemy laws of the United States, and if the countries to which we want to sell uranium were in fact on the prohibited list we could not have sold it. We do not know the full story, but the point is that the government did step in and take some action. If this legislation had been in force and the foreign corporation that wished to take over Denison Mines had come before the government and said, "we in fact conform to virtually every part of this legislation and we are agreeable to going along with your economic criteria", the government might very well have permitted the takeover of Denison Mines.

There is tremendous danger in this legislation which is being advanced before the House as being a step forward, a move in the direction of doing something about foreign ownership, starting with takeovers. It is in fact a menace and could very well provide the government with the excuse it needs to enable more rather than fewer takeovers in Canada. It is for that reason that the terms of reference in the preamble must be enlarged. It is for that reason that we must add "political and social" after "economic". We are in the mess in which we find ourselves today because the government has insisted that we are only making economic judgments. We have the present degree of foreign ownership because the government has been saying that the marketplace will sort it out. We do not want that any more. Unless this legislation provides other criteria, then it is useless and, more than useless, it is dangerous.

The Minister of Industry, Trade and Commerce (Mr. Pepin), who speaks so ably for the government, may say, as we have said, that the legislation represents an advance, that it is a step forward, although it is not everything he or we would like. On the other hand, he may say—and there have been hints to this effect—that if this legislation is not passed before the adjournment it will be on the opposition's heads. He may say, "Let them answer to the country and explain why this legislation did not pass, even though it is a small step so far as the government is concerned". I wonder whether there is that much brass on the government benches to make that kind of accusation.

On a number of occasions we have raised the matter of the interim problem before the takeover legislation comes into force. After all, foreign ownership and takeovers are not new. This country has been debating the subject for at least 10 to 12 years. The government has shown no fear whatsoever of what may happen during that period of time. Even while this legislation was being discussed there

were assurances from the opposite side when some of us raised the question of retroactivity and of what should be done in the interim. We were told that it does not make any difference really because once these companies know that we intend to pass legislation at this time they will hopefully behave accordingly and in the light of the impending legislation.

In the past there has not been any sense of urgency on the part of the government. Why is there this new sense of urgency, why this drumming of the legislation through the committee and now the obvious desire of the government to drum it through the House in a short period of time during a week when many other pieces of legislation are supposed to be considered? The reason is that the government simply does not want any examination of its foreign policy objectives. It does not want any real, significant debate on takeovers and their relationship to foreign ownership in Canada. What it is hoping for is to defuse the entire problem of foreign ownership in this country. It wants to be able to go into an election and say that foreign ownership is no longer an issue, that it has taken care of it and that the legislation is on the books. It is in that context that the legislation is dangerous. The government does not want a debate on foreign ownership; it wants to shove the matter under the rug, to hide it in a closet where no one will see it, and then go on with what it will invent as issues in the election.

Takeovers and foreign ownership in Canada are far too serious a problem to be dismissed in the way the government wants it dismissed. We are not prepared to see it shoved to the side in this way. We think the question is serious enough that those members who have things to say about foreign ownership should say them. We think it is important enough for the debate to continue. After all, there has not been a debate in the House on foreign ownership and on legislation affecting it with the possible exception of some sections in the Bank Act. If this legislation is passed there may not be a debate on foreign ownership in the House or anywhere until an election is called.

Let me raise some of the issues surrounding the question of foreign takeovers that should be considered.

Mr. Speaker: Order, please. Again I have to remind the hon. member that as much as possible he should relate his remarks to the amendment before the House which he himself has brought to the attention of the House. I have listened to him closely for a minute or so, more closely than before, and it does appear to me that he is now making a speech which he might have made on second reading or which he might make later on third reading. I think an effort must be made by hon. members not to make general speeches when we have before us a very specific amendment.

Mr. Saltsman: I want to discuss some of the social implications of foreign takeovers, and I think that this relates directly to the amendment. Let us take the situation of an international corporation that wants to take over effectively in the province of Quebec. Is the government simply going to look at this kind of takeover in economic terms alone, as important as economics are, or will it ask other important questions?

[Mr. Saltsman.]

• (1130)

Quebec is moving in the direction of greater reliance on French as the working language of the province. Will the government ask an interantional corporation proposing a takeover what its policy is on language and whether, in Quebec, the working language of that corporation is to be French as it should be? Or will the government say that this is not its concern because the bill deals only with economics, not with the French language or social conditions in Quebec or elsewhere in Canada, and therefore the takeover ought to be permitted? If that is the criterion to be used, if that is the way the government is to judge these matters, we are heading for trouble. One cannot separate economic and social conditions in a province. In a poor society where people are on the verge of starvation, economic considerations rule entirely. However, in a society that has achieved some degree of substance the people want something else as well. They consider the quality of life important, as well as the environment. Their social milieu is most important in their eyes. Yet this bill does not consider these areas. This bill, which might be most welcome in some primitive, underdeveloped country, makes no sense in Canada, a country with social and political objectives.

Are we, for instance, to look at a takeover and consider it only on economic grounds if the effect of the takeover might be the raising of consumer prices because of heavy advertising, product differentiation, and so on? Is the government to decide on economic grounds alone? Will the consumer not be considered? Will takeovers be permitted in all cases where it can be shown that a company's operations will be profitable and create employment? If a company involved in a takeover will create pollution through the introduction of certain techniques, will questions not be asked about this? Will the government not ask if the company is prepared to do research in Canada and employ this country's graduates and thus provide for a future Canadian technological capability? Will the government not ask such questions, or will it simply permit takeovers on general economic grounds? I agree it is not always possible to judge the benefits of research in straight economic terms because the implications of research go beyond economics, but how will the government judge in cases like that?

After repeated questioning, members of the government still have not told us clearly how many firms are involved in the United States DISC program, for the very good reason that they do not know. Actually, it seemed that there was no way it could know how many firms are involved. Now the government is undertaking extensive detective work and trying to ferret out those companies which have "shafted it" or double-crossed it. The government is learning who its good corporate friends are. It is watching the situation.

If certain companies attempt to take over Canadian companies, will the government ask them: Will you be applying for DISC, or will you say that in operating in Canada you will not respond to programs like DISC which may shift production from Canada to the United States or some other country? I say this, Mr. Speaker, because other countries besides the United States are involved in programs of this type. DISC, of course, is a

purely American program, but other countries have instituted similar programs. What is the point of allowing a takeover on economic grounds which may look advantageous at the time unless the company taking over the Canadian company assures us that it will not respond, in its Canadian operations, to legislation passed in the country in which the parent of the international corporation operates? We must be assured that companies coming to this country will not respond to programs instituted in the United States which might permit them to take advantage of certain tax concessions.

One criterion governing companies that seek to take over Canadian companies must be that they shall obey the laws of Canada only and not the laws of other countries; otherwise we shall, in the future, lose control of our economy and lose our social and political freedom. The bill contains no provisions in this area. The bill does not even touch on it. For instance, how is the government to say to such companies: You must assure us that you will continue your operations in Canada and not transfer them out of the country if any tax benefits under programs like DISC are offered to you?

Will the government look at the history and background of a foreign corporation wanting to take over a Canadian company and assess its labour policies? Many companies in the United States and other parts of the world, including Canada, have been notorious for their terrible labour-management relations. Are we to permit companies like that to operate in Canada without scrutinizing them? Are we to permit companies like that to enter on purely economic grounds? Are we to allow companies to operate in this country if their policies would be reprehensible in our social climate? I am not talking about witch hunts or the John Birch Society, much as I dislike it, or anything like that. I do not know how you can keep people like that out. I am talking about companies of the United States which have adopted anti-trade union or anti-labour stances. Are we to let companies like that operate in Canada when the prevailing sentiment in Canada recognizes the value of trade unions and recognizes that labour-management negotiations in a civilized form ought to be encouraged? Those are the factors we must look at. If we overlook them, we may create an enormous amount of chaos in our society.

The government, however, has a perfect excuse under this legislation if anything goes wrong. It can always say: It is too bad that companies with bad labour-management records have come into this country, but the act does not say anything about it; it only deals with economics and therefore, although we may not like these companies, we cannot do anything about them since we are restricted by the act. Instead of allowing us to develop in freedom, the act will become a sort of straitjacket that the government has voluntarily put on.

At present the government has power to control foreign takeovers. It has exercised these powers. Therefore it must not tell us that if this bill is not passed by the end of the session the responsibility will be on our heads because it has no powers to prevent takeovers. It has prevented them before when a takeover was against the public interest and when there was public pressure to block it. This bill will give the government a beautiful out. It will not need to respond to public opinion or political pressure because it can hide behind this legislation. For example, will the government ask the foreign company to assure the Canadian people that the Trading with the Enemy Act of the United States will not apply to that company's operations in Canada? The government can say that this legislation does not cover matters like that, that it covers takeovers on economic grounds alone, and that therefore a company will be allowed to enter this country if it can show that its operations will be profitable, that it can produce so many gadgets and create more jobs.

The government will be able to say that political considerations do not come under the act. The point is, Mr. Speaker, that political considerations are important and can seriously affect our foreign policy. There is no reason in the world to permit companies coming into Canada to operate under a dual loyalty. Perhaps the primary loyalty of the company may be to that country in which its parent has its head office. But let us make no mistake. The United States Trading with the Enemy Act does not exempt the branch plant of a United States corporation from its provisions. The subsidiary of an American corporation is subject to the provisions of that act and other acts of that type that may be passed by the United States.

• (1140)

It might be argued that there is not a great deal of evidence to indicate that the Trading with the Enemy Act of the United States has seriously inhibited the operations of Canadian branches of foreign corporations, but there is enough evidence to indicate that it has to some extent in the past and may in the future have some very serious effect. Even if the effect is slight, we as a nation should feel insulted to think that for the sake of a takeover and bringing more capital into this country, we are prepared to limit our sovereignty seriously in relation to those with whom we do business, have cultural relationships and normal contact. We should not have to go about the country watching those who are subject to pressure based on political judgments in the United States.

Other problems will arise such as the amalgamation of firms in Canada. In a system like ours the situation is seldom the same from year to year. The number of competitors in industry will vary as technology becomes more and more expensive and as the need for size and skill increases. Mergers will then have to take place. Conversely, as the amount of money that is needed to acquire certain kinds of technology diminishes, some of these corporations should be split into smaller units because it is more economical. These changes have to take place in society. They are not taking place in Canadian society because of American legislation.

American corporations are subject to the Sherman act, the combines legislation of the United States. Even where it appears that some mergers between branch plants of foreign corporations in Canada are desirable, they are afraid to do so. They are not only afraid but they are unable to do so because they are subject to the laws of another country.

When looking at takeovers the government should ask these corporations whether they will willingly agree not to

be subject to the Sherman act but will act according to the needs of the Canadian marketplace and the social and political context in which we live. Is the government going to seek these assurances? There is no evidence that they intend to do so. I think the government would be afraid to even raise the question of the Sherman act or other acts of this nature. I see the minister shaking his head to indicate that he is not scared out of his handsome head. He will have an opportunity later to reply in a somewhat more articulate manner. These are the kinds of problems we are going to face if this legislation is passed in this form.

I want to raise one other point. If I do not raise it, the Minister of Industry, Trade and Commerce will. Perhaps he will say that we do not have a right to make social and political judgments with regard to takeovers because we do not make social and political judgments with regard to anybody else, and therefore, the takeover people will be subject to all the laws of Canada as they now stand. If the minister implies that, he has his head in the sand. He will in fact be saying that an international corporation responds in the same way as a Canadian-owned corporation, but it does not. An American corporation does not respond in the same way as a Canadian or a German corporation. They have different attitudes and rules. The minister will also be saying that because we have failed to make these kinds of distinctions in our economy we should not only continue this kind of failure but also reinforce it.

We are trying to break away from the failures of the past. We in this country have come to the conclusion that foreign ownership is not the great gift we thought it was originally. We know that it has damaged our economy and has created serious problems for us. This legislation is supposed to deal with that. If it does not, what good is it? It is time we dealt with this situation.

We are asking that an attempt be made to deal with this matter in a realistic way. We suggest that all the necessary criteria of economic, social and political judgments be combined when looking at a takeover. In some ways the minister should welcome this amendment because it is going to be very difficult to separate these things when an economic judgment has to be made. It would be much healthier and much easier for whoever is making this judgment to have the power to look at it in its total context. It might be argued that there is no context and that the government has no program, plan or social objective. To a large extent this is true, but the government knows there are some things in this country that are sociably desirable and wanted by the Canadian people. By accepting this amendment, the minister will have an opportunity to take these things into consideration.

The legislation sets out that the government is going to look at things, but it does not say what they have to do in any specific case. If this legislation is to be effective and have any meaning whatsoever, the entire gamut of Canadian needs has to be taken into account. It is for this reason, Mr. Speaker, that we urge acceptance of this amendment.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to make a few comments in support of the amendment moved by my colleague, the hon. member for Waterloo (Mr. Saltsman).

[Mr. Saltsman.]

In the past few months I have had occasion to read the two volumes written by Pierre Burton on the building of the Canadian Pacific Railway from east to west. I recommend that during the summer recess the minister find the time to read them. The message that comes across loud and clear in these two superb books is that if the decision to build a railway from Montreal to Vancouver had been made on purely economic grounds the railway would never have been built. If Sir John A. Macdonald and the Conservative Party of Canada had looked at the building of the Canadian Pacific Railway on a purely dollars and cents basis, the railway would not have been built. With a country extending for thousands of miles from east to west, with a very small population huddled close to the United States border, and Toronto, Montreal and even Winnipeg all less than 100 miles from the American border, it is obvious it would have been sensible to build railway connections from Toronto, Montreal, Halifax, Winnipeg and Vancouver to the closest cities south of the border. Had Sir John A. Macdonald and the Conservative Party followed the kind of thinking inherent in the bill before us today drafted by the government, the Canadian Pacific Railway would not have been built. If the CPR had not been built there would be no Canada today, there would be no Parliament and we would not be meeting here to debate this bill.

• (1150)

Why was the CPR built? As hon. members know, I am not a great supporter of the way in which it was built or of the kind of subsidies which were given in the form of cash and land grants. But the CPR was built, in the end, despite tremendous opposition from certain financial and political interests in this country as a result of the determination of a Conservative government led by Sir John A. Macdonald who had reached the conclusion that a railway was needed if this country were to survive. This decision was made for political and social reasons. It was not made because of economic reasons. If Macdonald had been called upon to decide the issue on the basis of business considerations alone, the railway would never have been built. So I urge the minister to be less partisan, to be less obstinate in his approach to this amendment. Let him not persist in believing that the bill before us is the be all and end all of what is required. Let him consider all the benefits he will derive in the administration of this legislation if he agrees to the amendment my hon. friend has proposed.

Allow me to give two illustrations which will make it clear why I believe the kind of amendment we are proposing is needed. I shall deal first with the Kootenay and Elk Railway in British Columbia. As hon. members know there are tremendous coal deposits in that province. That coal is presently being removed and sold almost exclusively to Japan. It is being hauled over Canadian railway lines to the west coast where it is shipped. It is now proposed by certain financial interests that a line be built, the Kootenay and Elk line, to the United States border so that the coal can be shipped mainly over United States railway systems and through United States territory to Cherry Point.

Mr. Pepin: Is this on the subject of transportation or takeover?

Mr. Orlikow: The minister must have had a difficult weekend because he is usually intelligent, but his interjections today indicate to me that he has had a rough weekend; he is being as stupid as some of his colleagues usually are.

Some hon. Members: Shame!

Mr. Orlikow: The minister knows as well as I do that a ruling by the Canadian Transport Commission forbidding such movement was overthrown by the courts. If the bill before us goes through, on what basis can similar operations be prevented? I am sure the people who propose shipment of this coal over United States lines will be able to demonstrate that it would be cheaper to move it over United States railways rather than via the Canadian Pacific or Canadian National. Obviously, if it were not cheaper they would not be proposing this operation. So I suggest to the minister that if there were a clause in the bill giving the government the right to prevent takeovers on political or social grounds he could intervene to ensure that plans such as I have been describing are not carried out.

I say to the hon. member for Vancouver-Quadra (Mr. Deachman), who is looking askance at me, that he ought to consider these operations in terms of what they would mean if related to job opportunities in British Columbia. Let him remember that not long ago 9 per cent of the labour force in Vancouver was unemployed; there were more unemployed in that city than in Montreal which traditionally has the highest rate of unemployment.

Let me give one other illustration. The hon. member for Waterloo talked about the effects upon United States corporations of legislation such as the Trading with the Enemy Act. It has been frequently suggested that Canadian subsidiaries of United States corporations are not very much influenced by their head offices in the United States. I can think of one case in which such influence could have had a very adverse effect on the people of Canada, particularly those of western Canada.

Several years ago the government of Canada, a Liberal government, made a deal with the Soviet Union agreeing to sell a large quantity of wheat and flour. The Russians then asked that a substantial part of this wheat and flour should be shipped to Cuba instead of being shipped first to the Soviet Union. It so happened, fortunately in one way and unfortunately in another, that there was a substantial overcapacity for flour production in this country at that time. This was the situation: some 80 per cent of the flour production facilities in this country is controlled by United States companies whose head offices are outside the country, and they were forbidden to produce flour for Cuba. Suppose this surplus capacity had not been available. Had this been the case we could not have fulfilled the wishes of the Soviet Union with respect to shipment at a time when we were desperately looking for markets for our wheat and flour.

I suggest to the minister that unless in this legislation there is included a provision such as is proposed by my hon. friend permitting the government to decide the question of takeovers not simply on the basis of economics but on the basis of political and social requirements we shall be in precisely the same position after this bill has been passed as we are now. The government will have a bill the provisions of which it will be unable to implement in order to prevent takeovers. I predict that this is what will happen. I am very sceptical that, with the present minister and government in office, many questions will be asked or takeovers prevented, though I hope I am wrong and that when the legislation does pass the minister will demonstrate that he is a tiger instead of a pussycat. However, I suggest that if any United States company or company whose headquarters is in some other country considers a takeover really worth while from its point of view, the minister will face the same situation as in the case of the Kootenay and Elk railway which I talked about a few moments ago. If such is the case, the company will be told that under the law a takeover is not permitted. The only reason the minister will have for such decision is that the takeover does not suit the economic interests of this country.

• (1200)

The company in question will then do precisely what the Kootenay and Elk railway did, which is to go to the court. I am sure that companies like General Motors or some of these multinational giants will have the economic, statistical and financial resources at least to match those of the government of Canada, and they will be able to demonstrate, at least to the satisfaction of the court, that from the point of view of economics, from the point of view of the company itself, from the point of view of the producer and so on, a takeover is a good thing. Under those circumstances the court will probably rule, as it did in the Kootenay and Elk Railway case, that the minister does not have the authority to do what he proposes to do even if he proposes to do it, which I doubt.

Therefore, in all seriousness and in my usual non-partisan way I suggest that the minister agree to the amendment proposed by my colleague which will give him the kind of power he needs if this bill is to enable him to do what he told the people of Canada he wants done.

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, it might be helpful for me to say a few words at this point in the discussion to prevent useless interventions.

I presume no one in this House has the monopoly of intelligence, good will or good intentions and, for my part, I do not totally disagree with the intentions or motives which inspire my hon. friends in the presentation of the amendments before the House. We will agree readily on that point.

But an act is not a patriotic oration such as those we hear on St. John the Baptist's Day, nor is it a speech on the Canadian Pacific. It must be characterized by some logic, by well defined objectives, factors or criteria of judgment. In an act, we must also distinguish between what is essential and subordinate. A subordinate matter can be extremely important, but in the context of the provisions, we must grant it less importance than something to which we give priority.

It is from that point of view, Mr. Speaker, that the bill now under consideration and more especially clause 2 has a certain logic which I will now try to explain.

There are three concepts which we must bear in mind. First, the concern in Canada. Second, the objectives of the legislation. Third, the factors which must be taken into consideration to assess whether the acquisition of control is acceptable.

Three words, then, should hold our attention: "concern", "objectives" and "factors".

At the beginning of clause 2, it is clearly established that the Canadians, the government and the Parliament of Canada are concerned about the weakness of the effective control of Canadians over their economic environment, owing in part to the considerable foreign investments in Canada.

The economic concern is underlined as the most important. That does not mean that the economic situation does not have political, social and cultural effects which do not also concern us; it is a matter of insisting on what is essential, that is the concern about the economic factor. The other consequences result from it.

In order to underline that, mention has been made here only of the effective control by Canadians of their economic environment, and not of the effective control of their environment politically, socially, culturally, and what have you.

In other words—I know this is all very subtle, but as I am addressing a very sophisticated audience, I do not hesitate to do so—had the concern been essentially political or cultural, a totally different bill might have been put before the house.

And I also stress, particularly for the benefit of my hon. friend from Hamilton-West (Mr. Alexander), the practical difficulty in making the distinction between economic, social and political aspects of such issues, and the danger involved in defining the purpose of the bill as economic, social, cultural and political. There definitely is a danger there. At a certain point of the discussion, the wording now recommended by the hon. member for Hamilton West may have been considered, but the purpose, I repeat again, was to determine what the bill would focus on, and it does emphasize the economic aspect. Political, social, and cultural consequences of the economic situation are not being ignored, but the key point, the emphasis is on the economic aspect.

Why so? For a very practical reason. It is in fact very difficult to determine the social, cultural, and political factors involved in deciding whether a takeover is valid. This could lead to all kinds of considerations quite remote from the main concern as expressed in the bill, which is economic.

The hon. member for Hamilton West did put specific questions. He asked me, for instance, whether research and development will be considered in the decision.

[*English*]

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

Mr. Deputy Speaker: Order. The hon. member for Hamilton West is rising on a point of order.

[Mr. Pepin.]

Mr. Alexander: Mr. Speaker, I am continually hearing the minister refer to the hon. member from Hamilton. I appreciate his ability to recognize my input in this House, but this is not my motion. The hon. member for Fundy-Royal will be expressing his thoughts, but I think the minister should give the credit to the member who has put the motion on the order paper.

• (1210)

Mr. Saltsman: Mr. Speaker, on a point of order, let me say I realize it is very difficult to distinguish between myself and the hon. member for Hamilton West, but I am shorter than he is.

Mr. Pepin: The hon. member for Waterloo asked me if the government was going to consider factors like research and development and the Trading with the Enemy Act in an assessment of the significance or otherwise of the benefits for Canadians in a takeover. The answer is, most probably, and certainly in the case of research and development and in the case of the Trading with the Enemy Act because these are essentially economic considerations. There may be a social or cultural aspect to research and development, but basically research and development is an economic matter. There is no doubt about that, and consequently research and development intentions will be factors borne in mind. As a matter of fact, this is indicated as such in Clause 2 (2).

The hon. member brought up a number of other considerations such as language and behaviour of the company in respect of unions. I could mention a number of other such aspects of company behaviour, for example, allowing employees to be candidates in the political arena.

As we leave the more precise economic considerations and indulge in social and economic factors there is much more room for judgment than there is in the straight economic field. Let me give you a straight example. Suppose a possible acquirer has a very bad record for unlawful pollution in France, Germany or anywhere else; then I would think this might become a factor in the analysis.

With regard to language, because of the possible consequences, I would hesitate to consider that sort of thing because it might get us involved in the business of implementing provincial legislation which itself is in the process of debate. I am not giving legal advice because obviously I cannot, but in the case of language I would say to the potential acquirer that if he is going to Quebec he should certainly be aware that the Quebec government and the Quebec population have specific views about the use of the French language in plants. The potential acquirer should be aware of that. I was talking to a new investor yesterday and he was very much aware of it.

Mr. Burton: Mr. Speaker, I should like to ask the minister to point out to me which one of the five factors set out in subsection 2 of clause 2 he would use as his authority for dealing with the matter of language as he has just outlined it to the House?

Mr. Pepin: That is exactly what I am saying; I am not going to deal with language. I am not going to make it a factor for the allowance or otherwise of a takeover because it is not covered specifically in the factors. That is

exactly why we want this bill to concentrate on economic matters and not on social, political or cultural matters. You are making the case for me because language is not covered in the bill.

In order to be practical, if I were involved in this business of screening I would certainly make sure that the company about to proceed to take over was aware that there is discussion and debate and the possibility of some future laws in Quebec about the use of French. As a service, an unpaid one, to the potential acquirer, I would make sure he was aware of these facts. That is why the preoccupation and concern of this bill are couched in economic terms. I am the first one to say that political, social and cultural consequences are not unrelated to the importance of foreign investment in Canada, but that is not the first preoccupation of this bill. I started my remarks by saying that this bill tries to make clear what should be clear.

[*Translation*]

The second concept I have pinpointed relates to "objectives". The second amendment suggested to us recommends that the main objective be two fold, that is first to aim at profits, "significant benefit" to Canada but also as a second main objective, namely "ability of Canadians to maintain effective control over their economic environment."

In fact, this amendment would tend to establish a double main objective. First, increased profits for Canada and secondly "ability of Canadians to maintain effective control over their economic environment".

Mr. Speaker—and as always I am speaking quite frankly—if we consider on the same basis two objectives—that is benefit to Canada and ability of Canadians to control their economy, I think we would create great difficulties.

Why? Because it may very well be that in certain situations, or in a takeover, the ability of Canadians to control their own economy will not be their major concern. I shall give you a concrete example.

Let us consider the case where a foreign-owned company would want to take over a branch of another foreign-owned company in Canada. Following an inspection, or a screening of that take over; we would discover that there are all sorts of advantages, such as, for instance, from the point of view of economic activity, research and development, exports, but, on the other hand, that the increase in Canadian control may very well not be an important gain in this takeover of a branch, a subsidiary already operating in Canada. I hope this is clear enough.

If we accept amendment No. 2, it would become mandatory to show in such a case that there is an increase in the ability of Canadians to control their own economy, and that is not necessarily so. There are others benefits, but that one is not of prime importance.

That is why, Mr. Speaker, I cannot admit that the ability of Canadians to control their own economy be considered under this measure as an objective on the same level as the "significant benefit" that would derive for Canada.

I hope I have made myself clear; if not, I would gladly start over again.

The third amendment, Mr. Speaker, is a repetition of the second with the difference that here the ability of Canadians to control their own economic environment is taken, not as an objective, as in amendment No. 2, but as one of the factors to be taken into account in deciding whether a takeover is acceptable or not. I hope I have made this point clear.

My answer is very simple; it is that this concern is already included in the factors enumerated in clause 2(2) of the bill, and more specifically in subclause (*b*). Once again, to assess the admissibility of a takeover, to see if it brings about "significant benefit" to Canada, five factors will be taken into account and among these, the one included in subclause (*b*). It reads:

(*b*) the degree and significance of participation by Canadians in the business enterprise and in any industry or industries in Canada of which it forms a part;

• (1220)

[*English*]

Let me put this in English now. The suggested amendment says that we should bear in mind the ability or capacity of Canadians to control their own economy. I simply answer that this is already in the bill under clause 2(2)(b) which reads:

the degree and significance of participation by Canadians in the business enterprise and in any industry or industries in Canada of which it forms a part;

So when we look at a potential takeover we will look, among other things—I underline this—at what it will bring in terms of Canadian participation, in terms of Canadian directors, in terms of Canadian management, in terms of Canadian ownership. We will look at all that with respect to the particular takeover and we will look at it—and this is in answer to my friend, the hon. member for Waterloo—in terms of the industrial sector in which that particular takeover is taking place.

In the case which he submitted to us of Denison Mines the screening authority would have looked at the Denison case also in terms of Canadian participation in that sector of the Canadian industry. They would ask themselves: if Denison disappears, what will happen to the Canadian presence in the uranium field?

I do not want to pursue my remark because amendments 21 and 28 are just a continuation of amendments 1, 2 and 3, but let me sum up what I tried to say. I said that we have three concepts here: first, the concern of the population which can be political and social but which is basically economic. The other two considerations follow the economic situation. Second, I said that the objective of this bill is to bring out advantages and benefits which are significant for Canada. The main purpose or an equally direct purpose of this bill is not to enhance the capacity of Canadians to direct their own economy. I believe strongly that the first will help the second, that if you bring about more research and development through a takeover you will enhance the capacity of Canadians to control their economy, but I repeat that this is not the main objective of this bill. I say that I hope this amendment will be defeated. If it were accepted it would create all kinds of difficulties because there are cases when the enhancement of the capacity of Canadians to control their economy cannot

and will not be the main preoccupation of those who will have the job of screening takeovers. Third, I said that the very desirable secondary objective submitted in these amendments, that is, the capacity of Canadians to enhance their control over the economy, is already contained in the bill as a factor to be taken into account.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I think it is a pity that amendment No. 1 is grouped with amendments 2, 3, 21 and 28. However, that issue has presumably been settled by the Chair. It might have meant that there could have been a different response on the part of my party had amendment No. 1 been separated from amendments 2, 3, 21 and 28.

It seems to me, with great respect, that the NDP is engaged in what I suggest is a futile attempt to breathe life into a rather innocuous bill. The truth is that takeovers represented 15 per cent of Canada's foreign investment in 1968 and 5 per cent in 1969. This is from memory, and memory is often a bad judge. The figures may be reversed, but I am willing to be tested on them. They are trying to tie political and social considerations to a bill which is of such weakness and is so fragile that it cannot, I suggest, withstand this type of major surgery. Furthermore, I really think that it would subject the bill to a constitutional test of very serious implications. It may well be argued, and I suspect it will be by some of my colleagues and the Bar Association, that the amendment would be a major ground for constitutional challenge to the bill itself, but this is not part of my argument at the moment. I do not think we should be mystified by the fact that people want to make amendments and tinker with the bill. After all, the bill was heralded.

The minister made great play of the fact that he is candid. Candour is an estimable quality of the minister, but if he was being totally candid he would admit that after a couple of years of study of the matter of foreign investment out popped this bill, the trumpet sounded, and this was supposed to be the answer. I suggested earlier that the trumpet sound was somewhat uncertain. The NDP, who apparently had an interesting weekend drumming out part of their party, are now engaged in trying to drown out my few remarks by musical interjections. This may be an interesting role for them; I leave it to them. I wonder who had the worst weekend.

I think that in paragraph (e) of subclause 2 of clause 2 the absence of enunciated national and industrial policies for this country also adds to the dilemma we have in debating the bill with any intelligence. Really it is an Alice in Wonderland world. The word which the bill uses is "factors", but we have never heard or been told the essential components of those factors. This makes it rather awkward to have any certainty about the full implications of the bill. I suggest that in trying to sharpen the bill as a weapon in dealing with the whole matter of foreign investment and the control that Canadians obviously want to have over their economic destiny, it is better not to try to make amendments that may go to the very consitutionality of the bill itself. Rather, it would be better to oppose motions Nos. 1, 3, 21 and 28, and that is what this party proposes to do.

[Mr. Pepin.]

• (1230)

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, this is the opening of the debate on the bill following its reference to the committee, and I think it is incumbent upon me to comment upon the committee hearings and upon the reactions of the public to the decision of the committee with respect to receiving representations.

I suggest there has been a totally indecent haste on the part of the government in trying to put the bill through the House. The committee finished its hearings on Thursday, and here we are not much beyond the legal 48 hours discussing the bill at the report stage. Time and time again the briefs from the public indicated they would have preferred more opportunity to comment on a number of questions, but because of the haste with which they had to prepare their briefs they were not in a position to do so. In fact, Mr. Speaker, many organizations must hold national consultations before submitting briefs.

As indicated by my colleague from Fundy-Royal, the government took nigh on two years to come to its conclusion. It issued a form of report, accompanied by a bill, and then immediately jumped in and said: Look, this bill has to be considered right now and passed into law. I think it was silly and irresponsible of the Prime Minister (Mr. Trudeau) to make such a comment. In fact, I think he went much farther than that. I think he was trying to blackjack the House into a routine consideration of a unilateral step taken by the government when moving into an area that is shared with the provinces. He then made the threat that any disabilities or any consequences of takeovers that might take place between the time he was speaking and when the bill became law would be visited upon the heads of members of this House. That was patent nonsense, Mr. Speaker. It is the type of nonsense the Prime Minister speaks as soon as he steps into the economic area.

This bill goes much beyond the question of so-called takeovers. It provides for a mechanism to screen the acquisition of ownership, to screen even a small percentage of ownership which every witness, outside of government circles, indicated was beyond any question of control. Equally so, Mr. Speaker, the minister's own witnesses indicated that they have not devised the regulations, they have not devised the procedures, and certainly up until the time of the committee hearings they had not chosen the registrar or the review board.

The minister and I may have a difference of opinion about the number of weeks that will pass before this bill becomes law. I point out that it is to come into force not upon assent by Parliament but upon proclamation. It is quite conceivable that two or three months could pass before the bill becomes law. What becomes, then, of those so-called takeovers that take place between the time the House adjourns on June 30, if it does adjourn, and the date the bill becomes law?

When he made his threat the Prime Minister exhibited an abysmal ignorance of the bill or else tried to mislead the public when he made such a statement. That is where I would put it. It was just windowdressing on his part to attempt to show that the government is taking vigorous action on the question of foreign ownership.

This bill confuses control and takeovers with the question of ownership. I would commend to the minister and his advisers a very careful study into the performance of foreign-owned firms in Canada, made at the behest of the Canadian-American Committee by a group headed by Professor Safarian of Toronto. This study makes far more sense than the so-called Gray report, or the so-called leaked report of last fall. In my estimation it shows the confusion in the government's mind over ownership and control.

The first amendment proposed by the hon. member for Waterloo (Mr. Saltsman) deals with much more than mere economic development of the country. I question whether the Parliament of Canada has sufficient jurisdiction, without agreement with the provinces, to move to control provincially incorporated businesses operating strictly within the province of incorporation. I question whether it has jurisdiction to touch a foreign corporation that is registered under the foreign companies act within any province and is limited in its operations to that province. This amendment goes much farther than that and talks about the political and social environment.

Because of the non-performance of the Minister of National Revenue (Mr. Gray) before the committee, the reactions of the provinces to this bill remain the most sacrosanct state secret. The minister himself indicated that there was a range of opinions but he did not indicate what they were. He said that he intends to have consultations, but what he and his officials consider to be consultations may differ widely from what provincial administrations consider to be consultations. A classic example, which appears in public print, is the attitude of my own province where the Minister of Federal and Intergovernmental Affairs, Mr. Getty, stated that he is not satisfied with this unilateral action on the part of the government of Canada and that consultation might be information after the event.

• (1240)

There is not the machinery nor is there the personnel available within the government for the purpose of judging the significant economic benefit to Canada of transactions taking place in certain activities. The minister cannot give one instance of any expertise in oil and gas or any part of the petroleum industry. Yet by the very nature of the transactions taking place daily in Alberta, the centre of exploration for and production of oil and gas, which is a highly complex business—

Mr. Pepin: You don't want to build at all.

Mr. Lambert (Edmonton West): Mr. Speaker, that interjection shows the attitude of this government, an attitude reflected from the Prime Minister (Mr. Trudeau), that if we criticize anything we are against it.

Mr. Pepin: I was just trying to tease you.

Mr. Lambert (Edmonton West): I suggest to the minister that the government has no monopoly on concern about the degree of foreign participation in our industry. Somehow or other they think they are the saviours of the people and pose as knights on white chargers in regard to this subject. We have been at pains to show that there are other ways of achieving this. This bill does not do one blessed thing to enable Canadians to participate more actively in the ownership and control of their industry. There is nothing in it which is designed to encourage Canadians to participate. There is some sort of attempt, as it says, "to maintain effective control over their economic environment". The motion adds the words: "political and social".

I have called into question the jurisdiction of the government to move unilaterally in the matter of the economic environment. Surely it is without question that, if the amendment were to appear in this bill, by tomorrow morning challenges would come from the provinces because we know that many of the provinces put much greater emphasis on the political and social aspects than on the economic. Therefore, in this the New Democratic Party is showing its ambivalence between its traditional wing and its now to be expurgated Waffle. It now wants to set up some sort of economic czardom. They have some sort of fetish that they will have planners, boys in the back room and ivory-tower academics who will handle Canada's economic life through an instrument such as a takeover bill.

I reiterate the concern of my colleague the hon. member for Fundy-Royal (Mr. Fairweather) about the grouping of the first amendment with the other four. They are all quite different.

Mr. Deachman: You didn't do anything about it so don't complain now.

Mr. Lambert (Edmonton West): Mr. Speaker, the hon. member for Vancouver-Quadra (Mr. Deachman) is well known for speaking from his seat in any discussion of the matter at hand.

Mr. Deachman: You are losing the thread of your argument, but go ahead.

Mr. Lambert (Edmonton West): In any event, Mr. Speaker, this amendment would extend the considerations that the bill would have. I have queried the present ambit of the bill from its constitutional point of view. This, to me, takes it much further.

I should like to put on record an excerpt from a letter sent to the Minister of Industry, Trade and Commerce (Mr. Pepin) by Conwest Exploration Company, Limited, a company owned by Canadians. The letter reads in part:

> With respect to companies, our experience, in the Canadian mining industry, is that "effective control" through holdings of issued voting shares varies from company to company. In a company with a large number of shareholders (i.e. in excess of 200 shareholders) and a relatively even distribution of the issued voting shares (i.e. no single shareholder holding more than 1 per cent of such issued shares), effective control might in unusual circumstances be available with as little as 20 per cent of the issued voting shares; whereas in a company which has fewer shareholders effective control would probably require holdings in excess of 35 per cent of the issued voting shares. With respect to companies with a large number of shareholders, we believe that 20 per cent of the issued voting shares would not, in ordinary circumstances, represent effective control and even 30 per cent would be very vulnerable. Therefore the bill should contain realistic percentages with respect to voting rights when dealing with the broad spectrum presumption as to "non-eligible persons".

This is an argument that will come up again, but the question is "effective control over their economic environment". There has been some confusion by the government with regard to the low percentage figure, the threshhold figure of ownership which involves calling into play the machinery under this bill. There is no review process. Even though there may be rebuttable presumptions and so forth, it is still part of the process. I say that there is no way that this bill, with its low threshhold of shareholdings, will have anything to do with the political and social environment. I say that this amendment appearing as No. 1 is meaningless within this bill and unfortunately it has been linked with the others. One could express some sympathy with regard to the second amendment, the substance of which reads as follows:

• (1250)

. . . and is likely to enhance the ability of Canadians to maintain effective control over their economic environment.

What it boils down to is this: How is one to judge what is of significant benefit to Canada? I maintain, of course, that many transactions of a mutual nature will be affected by this bill. Hopefully, they will continue to take place. If they must meet the standard of significant benefit to Canada as well as those additional standards, requests or amplifications put forward in other amendments, I can only say that the picture will be so materially changed as to suggest that this matter has not been thought through. In my view, the first set of amendments cannot be supported.

Mr. John Burton (Regina East): Mr. Speaker, I must, first, take note of the comments made by the hon. member for Fundy-Royal (Mr. Fairweather), who spoke on behalf of his party. At least, he was the first member of his party to speak on this matter in this debate. I lent a sympathetic ear to the remarks he made on the amendments now under consideration which have been moved by members of the New Democratic Party. He suggested that these amendments represent a futile attempt to breathe life into this legislation. I can assure the hon. member that we certainly wrestled with the matter because we think this legislation is so hopeless and so inadequate that it is most difficult to insert meaningful changes into the bill. At the same time, I think this is a most useful exercise because this bill permits us to see whether the government's heart is where its mouth is. I suggest that we must take these amendments most seriously because they will provide some indication whether the government seriously intends to do something under this legislation. If the government is willing to accept the amendments we have put forward it will show us that it is trying to do something beneficial, even though we are dealing with a pretty inadequate piece of legislation.

In commenting on the remarks of the hon. member for Fundy-Royal, may I say that if the hon. member really meant what he said, namely, that we should just oppose this legislation even though it is pretty inadequate, his suggestion, the sincerity of which I do not doubt, would have been more appropriate if the members of his party had taken a more vigorous stance on the bill at the second reading stage and previously. I might remind the House that the hon. member's party was unanimous in supporting the bill on second reading. It seems to me the hon. member is trying to divert attention from some difficulties existing within the Progressive Conservative party. At the same time, the difficulties and dilemmas of the Progressive Conservative party could not have been more clearly demonstrated than by the speeches of the hon. members for Fundy-Royal and Edmonton West (Mr. Lambert). The hon. member for Fundy-Royal presented the "Progressive" point of view and the hon. member for Edmonton West presented the "Conservative" point of view. I can understand why some years ago that party decided to insert "Progressive" into its name and become the Progressive Conservative party. Once again it has demonstrated the sort of stance it has adopted for some years on many issues which have come before the House.

Certainly, this legislation is a futile exercise. I should like to hear the hon. member for Fundy-Royal reconcile his position with the fact that his party has submitted 15 amendments, as listed on the order paper, at the report stage. I also find it somewhat curious that the hon. member, after talking about this futile exercise, should so successfully straddle the fence by saying: We will support one of these amendments but oppose the others that are under consideration at present. His party would oppose the other amendments even though they deal essentially with the same area as the one it supports.

Mr. Lambert (Edmonton West): With respect, no, they do not.

Mr. Burton: The hon. member felt that he ought to support one amendment but oppose the rest. I suggest that shows very curious logic.

In dealing with the amendments before us, the first point that ought to be made clear in the minds of hon. members is that this matter is being approached as a political issue by the government. The government has demonstrated, by the structure of the legislation it seeks to introduce which provides that authority and control with respect to the implementation and administration of this legislation rests not with some board, not with officials, but with the minister, that this is a political matter. It is the minister who is to make the recommendations to the Governor in Council, and it is the Governor in Council that is to make the final decision. Clearly, this is a political matter and will be dealt with in a political way. That is evident from the very basis and structure of the bill the government has presented to the House.

When the minister placed the emphasis, as he did in his speech, on economic considerations, or, rather, on the paramountcy of economic considerations and suggested that that is what this country is all about, I suggest he demonstrated that he does not know the history of Canada and does not know what this country is all about. I suggest that the amendments now before us are an attempt to give this bill some meaning. We are trying to give some further indication that we, in Canada, are trying to deal with some of the problems that this bill alludes to, certainly in clause 2. However, instead of introducing legislation which is really effective, which really could deal with basic issues, the government, I suggest, has brought in a sterile, impotent eunoch. Having listened to the Minister of Industry, Trade and Commerce (Mr.

Pepin), it has become clear to me that this legislation is really a sham and hoax and not an attempt to deal with our difficulties connected with takeovers and the entire issue of foreign ownership, the issue we have been considering for so long. When this bill was being considered by the finance committee—

Mr. Deputy Speaker: Order, please. The hon. member will note that it is now one o'clock. It being one o'clock, I do now leave the chair.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2:00 p.m.

HOUSE OF COMMONS

TABLING OF SIXTH REPORT OF CLERK OF PETITIONS

Mr. Speaker: I have the honour to inform the House that the Clerk has laid on the table the sixth report of the Clerk of Petitions.

ANNOUNCEMENT OF EXPERIMENTAL ISSUE OF BILINGUAL ORDER PAPER

Mr. Speaker: Hon. members will notice that a bilingual edition of the order paper in the same style and format as bilingual bills has been placed on their desks in addition to the regular English and French editions.

In line with a suggestion from the Standing Committee on Procedure and Organization, the Chair will be pleased to hear whether the combined version is more suitable and useful to hon. members than the separate English and French editions. This arrangement will continue for the balance of this session to make it possible to obtain hon. members' views.

ROUTINE PROCEEDINGS

VETERANS AFFAIRS

Third Report of the Standing Committee on Veterans Affairs—Mr. Foster.

[*Editors Note: For text of above Report, see today's Votes and Proceedings*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Questions

DEVELOPMENT AND PRODUCTION OF DHC-7 STOL AIRCRAFT

Question No. 174—**Mr. Noble:**

1. What progress is the government making towards promoting the development and production of the DHC-7 Stol aircraft?

2. What is the amount of the government investment in this project?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. Negotiations have been conducted by the department with the Havilland Canada Limited covering the complete program for the development to certification of the DHC-7 STOL aircraft. The result of those negotiations remain subject to final approval by the government.

2. The government's investment to date on the DHC-7 STOL aircraft is $5.73 million.

BILINGUAL POLICY AT NATIONAL HISTORIC SITES

Question No. 285—**Mr. Macquarrie:**

1. Does the federal government make contributions to national historic buildings in Canada for the purpose of implementing the government's bilingual policy at these national sites?

2. Did the Charlottetown Confederation Centre approach the federal government for aid in adapting their signs to bilingual ones and, if so, what was the contribution of the federal government to this project?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Indian Affairs and Northern Development and Secretary of State as follows: 1. All building signs in our National Historic Parks and Sites are fully bilingual. All recent national historic plaques attached to buildings across Canada not owned by the Department of Indian Affairs and Northern Development are bilingual. A program is now under way to make all national historic plaques bilingual.

2. No.

ESTIMATED COST OF ADMINISTERING FAMILY ALLOWANCE PROGRAM

Question No. 357—**Mr. Robinson:**

What is the estimated cost of administering the family allowance program in accordance with the selectivity criteria for payments?

Hon. John C. Munro (Minister of National Health and Welfare): After implementation, the cost of administration of the Family Income Security Plan for one full year is expected to be approximately $17 million. This figure represents 2.1 per cent of anticipated expenditures on FISP benefits to families.

CANADIAN-OWNED PHARMACEUTICAL MANUFACTURERS

Question No. 426—**Mr. Rowland:**

1. What percentage of the pharmaceutical manufacturers operating in Canada are Canadian-owned companies?

2. What percentage of the total volume of prescription drugs used in Canada do Canadian-owned pharmaceutical manufacturers produce?

Questions

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. Information gathered under the Corporations and Labour Unions Returns Act indicates that in 1969, the most recent year for which data are available, 33 per cent of all pharmaceutical manufacturers operating in Canada were Canadian owned, accounting for 10 per cent of the industry's assets, and 11 per cent of its sales.

2. Information not available. However, it is estimated that Canadian-owned pharmaceutical manufacturers produce approximately 5 p. cent of the prescription drugs used in Canada.

REGIONAL STATISTICS

Question No. 450—**Mr. Nystrom:**

Which department has jurisdiction over the development of regional statistics?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: Statistics Canada has a responsibility to provide statistics on all aspects of economic and social activities and within the resources available, is developing and producing regional statistics as part of its program.

EMPLOYMENT SUPPORT ACT—FINANCIAL ASSISTANCE TO AGRICULTURAL COMMODITIES

Question No. 524—**Mr. Mazankowski:** (Supplementary)

Under the provisions of the Employment Support Act (a) what agricultural commodities received financial assistance (b) what was the amount in lieu of each commodity (c) how were the funds distributed?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Under the provisions of the Employment Support Act, assistance is limited to "manufacturers" as defined in Section 2 of this Act. Consequently, agricultural commodities were not supported directly under the Act but only indirectly to the extent that food processors received assistance in respect of their manufacturing activity. Statistics covering the administration of the Act until March 31, 1972, indicate that 64 grants totalling $853,310 for the support of 1308 jobs were approved to firms in the agriculture, fisheries and food products sector of the Canadian manufacturing industry.

BEEF IMPORTS

Question No. 547—**Mr. Lambert (Bellechasse):**

Did Canada import any beef during 1971 and, if so (a) from what countries and in what quantities (b) at what price by grade?

[*Translation*]

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: (a) The attached table provides data on the import of beef into Canada during 1971 by country of origin, in accordance with the Import Commodity Classification used by Statistics Canada. (b) Statistic Canada does not compile information on imports of beef by grade.

[Mr. Rowland.]

Imports of beef during 1971:

	Quantity (cwt.)	Value ($'000)
Beef, fresh or frozen		
United Kingdom	7	—
Australia	221,911	11,984
New Zealand	611,470	28,237
United States	175,282	16,206
Total	1,008,670	56,427
	Cwt.	$'000
Veal, fresh or frozen		
Australia	25,679	1,515
New Zealand	228	9
United States	73	17
Total	25,980	1,541
	Cwt.	$'000
Beef, cured		
Bahamas	28	1
United States	121,684	5,733
Total	121,712	5,734
	Lb.N.	$'000
Beef and veal, canned		
United Kingdom	925,978	309
Germany West	5,125	3
Italy	618,492	557
Australia	1,998,396	967
Argentina	1,220,759	762
Brazil	3,469,984	2,185
Paraguay	1,425,082	882
United States	9,469	5
Total	9,673,285	5,670

[*English*]

TRANSLATION BUREAU, OTTAWA

Question No. 567—**Mr. Rodrigue:**

1. How many employees work for the government Translation Bureau in Ottawa?

2. During the past three years how many persons hired by the Translation Bureau were natives of Europe and the Middle East?

3. Of this total number hired during the past three years, how many have resigned?

4. How many people are working for the Translation Bureau as editors?

5. How many people have been hired during the past three years as editors?

6. What is the salary of an editor?

7. What is the salary of a translator?

8. During the years 1968-69-70-71-72, has the Government of Canada granted scholarships for improvement, either directly or indirectly, to subsidize students and to assist certain universities in offering courses in translation and, if so (a) what is the amount of such grants to students (b) what universities received grants and in what amounts?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): In so far as the department and the Public Service Commission are concerned: 1. Eight hundred and forty.

2. Records in the Public Service Commission are not maintained in such a manner as to permit the capturing of this information.

3. Number of persons who left the TR Group: 1969-1970, 33; 1970-1971, 41; 1971-1972, 37. No statistics are available in this respect for other categories.

4. One hundred and seven.

5. Seven persons have been hired during the past three years as editors.

6. Editors TR 3, $14,001 to $17,501.

7. Translators: TR 1 $5,960 to $11,900; Translators: TR 2, $11,166 to $14,694.

8. (a) Amount of grants to students attending courses in translation 1968-1969; Subsistence allowance, $1,900; Tuition fees, $500; 1969-1972: Subsistence allowance, $2,050; Tuition fees $500; (b) Universities and amounts of grants:

Universities	Years			
	1968–1969	1969–1970	1970–1971	1971–1972
	$	$	$	$
Laurentian			1,000	500
Laval			6,000	10,500
Montreal	10,000	15,500	17,000	15,500
Ottawa		4,500	10,000	7,500

FEDERAL ASSISTANCE TO "LES CUISINES DE QUÉBEC INC."

Question No. 569—**Mr. Godin:**

Has the government ever subsidized *Les Cuisines de Québec Inc.* through the Department of Regional Economic Expansion and, if so (a) what was the total amount of the grand (b) how many jobs were created (c) is the plant still in operation (d) what is the total staff?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): The Department of Regional Economic Expansion has never offered any assistance to Les Cuisines de Québec Inc.

[*English*]

AIR DISTANCES AND FARES FROM CANADA TO MILAN, ITALY

Question No. 575—**Mr. Ryan:**

1. What is the air distance from Montreal to Milan and from Toronto to Milan?

2. What will be the fare for a single, roundtrip, economy passage in July from Montreal to Milan and from Toronto to Milan via *Alitalia*?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The Canadian Transport Commission advises as follows: 1. Montreal to Milan, 3,814 statute miles; Toronto to Milan, 4,129 statute miles.

2. Montreal to Milan Round Trip Economy Normal Fare for travel in July 1972, $670(Can.); Toronto to Milan Round Trip Economy Normal Fare for travel in July 1972 $706(Can.)

SEED POTATOES

Question No. 580—**Mr. MacDonald (Egmont):**

1. During the years 1968, 1969, 1970 and 1971, what promotion was carried out by the government with respect to the domestic and foreign sale of Canadian seed potatoes?

2. During the current year, what plans or programs are being instituted for the promotion of the Canadian seed potatoes?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. The Department of Industry, Trade and Commerce continued an active program of export promotion of Canadian seed potatoes in the years 1968, 1969, 1970 and 1971. The principal methods used are technical and promotional trade missions and visits, and testing of Canadian seed potato varieties in foreign countries. (a) In the years mentioned the Department organized incoming potato missions from Roumania, Israel and Chile, and an out-going mission to Greece, Cyprus, Spain and Portugal. In the case of Chile, there was an immediate sale of 26,000 tons of potatoes for consumption in that country, with certified seed being shipped to meet Chile's phytosanitary requirements. The mission from Israel and the one to Spain gained access for Canadian seed potatoes, subject to the satisfactory outcome of trials. A second trial planting of Canadian varieties now is underway in Spain following a successful trial in 1971, and it is hoped that commercial sales of Canadian seed will follow. In the fall of 1971 a seed potato expert from the Canada Dept. of Agriculture was sent to Spain to consult with Spanish officials concerning the trials of Canadian varieties. Late in 1971 the Department brought to Canada the chief potato specialist in the Costa Rican government in connection with a plant health problem, with the result that access to that country was preserved for Canadian seed potatoes. (b) Quantities of Canadian seed for trials were sent to a number of established and potential market countries in the years mentioned. They included Italy where Canada must pay for official tests of varieties which we wish approved for planting in that country. Test quantities of seed also were sent to Greece, Israel, Venezuela, Cuba, Brazil, Peru, Paraguay and Roumania.

2. The Department's program in 1972 includes efforts to introduce Canadian seed into several new market areas such as the African countries bordering on the Mediterranean, initially by providing seed for test plantings. Tests will continue in the Mediterranean countries mentioned in (a), the Caribbean and South America.

Key officials from the EEC will visit Canada in July to inspect Canada's potato research and plant protection systems. The Department has invited a delegation of potato specialists in the Spanish Ministry of Agriculture to visit Canada in August, to further our efforts to establish a commercial market in that country. The Department has arranged for a seed potato mission from Venezuela, Uruguay, Argentina, all traditional markets for Canadian seed, to visit Canada in September in order to maintain our image in the face of increasing competition from European suppliers.

A Canada Department of Agriculture potato expert visited Cuba in early 1971 at the invitation of the Cuban government, to provide advice on a disease condition in the Cuban potato crop. An exchange of technical visits

with the Cubans now is underway through cooperation of the Canada Department of Agriculture and the Department of Industry, Trade and Commerce. Two Canadian technical experts visited Cuba in May 1972. A Cuban official will spend several weeks in the Maritime potato producing region this summer, and in early 1973 a Canada Department of Agriculture specialist will make a further visit to Cuba. It is expected that this program will do much to maintain Canada's traditional market for seed potatoes in Cuba.

An important part of the continuing program to promote exports of Canadian seed potatoes is to stress the Canada Department of Agriculture's programs of research, plant breeding, inspection and plant health, particularly the Elite Seed program. The Department of Industry, Trade and Commerce will publish an up-dated seed potato booklet later in 1972 which will cover these subjects, and this booklet will be distributed to all countries where there is an existing or potential market for Canadian seed potatoes. The booklet will aid the efforts of Trade Commissioners in posts around the world. They promote Canadian seed potatoes by assisting in gaining access, by arranging representation for Canadian exporters and by following-up on commercial shipments.

POTATO GRANULES PURCHASES

Question No. 582—**Mr. MacDonald (Egmont):**

1. In the years 1968, 1969, 1970 and 1971, what amount of potato granules were purchased for food aid programs?

2. (a) From whom were such granules purchased (b) at what price and in what amounts (c) to whom were they sent and in what amounts?

3. What plans does the government have for the sale of such granules this year as food aid?

4. Has the government responded to the request by the Canadian Horticultural Council to undertake an expanded educational program to acquaint countries with the value of potato granules?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of External Affairs and Agriculture as follows: 1. 2. and 3. See Annex "A" following.

4. No such request received from the Canadian Horticultural Council.

ANNEX "A"

POTATO GRANULES

Year	Supplier (Successful Tender)	Value	Tonnage Procured (Metric)	Recipient Country	Tonnage Shipped (Metric)	Remarks
1968	Nil	Nil	Nil	Nil	Nil	
1969	McCain Ltd., Florenceville, N.B.....	$435,600.00	1000	Nigeria	1000	Relief Shipment
1970	Nil	Nil	Nil	Nil	Nil	
1971	Nil	Nil	Nil	Nil	Nil	
1972	Carnation Co. Ltd., Carberry, Man.....	$337,307.20	1814	Lebanon	100	World Food Program
				Egypt	500	"
	Sun-Alta Food Ltd., Taber, Alta.....	$337,307.20		Pakistan	100	"
				Senegal	100	"
	Vauxhaul-Foods Ltd., Vauxhaul, Alta..	$225,202.16		Algeria	400	"
				Chile	32	"
				Mexico	75	"
				Peru	40	"
				Philippines	100	"
				Philippines	50	"
				Guyana	24	"
				Philippines	25	"
				Trinidad	19	"
				Barbados	56	"
				Indonesia	50	"
				Syria	143	"

Note: Allocation for 1971-72 expended

Prepared by Contracts and Commodities Division
Canadian International Development Agency

GOVERNMENT CONSIDERATION OF PURCHASE OF DHC-7 STOL

Question No. 598—**Mr. Robinson:**

Will the government advise if it is considering the purchase of the DHC-7 Quiet STOL Airliner being offered by De Havilland Aircraft of Canada Limited and the Boeing Company?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): The DHC-7 is an aircraft in the initial stages of development. Only when it is successfully developed and in production can the government consider purchase of such aircraft.

[Mr. Howard (Okanagan Boundary).]

IMMIGRATION APPEAL BOARD

Question No. 602—**Mr. Hales:**

1. How long is it presently taking in the Toronto area from the time a person applies for a hearing before the Immigration Appeal Board until he is called before the Board?

2. How long would it take referral cases before their appeal is heard?

3. What does the Department of Manpower and Immigration propose to do in order to rectify this situation?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): The Minister of Manpower and Immigration advises that: 1. Other than detainees, it is estimated that the period of time may be from three and a half to four years.

2. It is understood that this part of the question relates to the inquiry stage of the immigration process. On this basis, there is at the moment a two-year waiting period in Toronto between the time an applicant is found to be unable to qualify for immigrant status on initial assessment and the date a formal immigration inquiry can be convened to examine his case should the applicant choose to pursue this course of action.

3. The Government is studying various alternatives for amending the Immigration Appeal Board Act with a view to speeding up the appeal process. When a suitable solution is found, appropriate amendments will be placed before the House. In the interim, the Department of Manpower and Immigration is implementing a number of administrative measures aimed at reducing the backlogs, by means of increased resources and streamlining of procedures.

APPLICATION TO CHARTERED BANKS IN NEWFOUNDLAND FOR GUARANTEED LOANS

Question No. 613—**Mr. Marshall:**

How many applications were made to the Chartered Banks in the Province of Newfoundland during the period January 1 to March 31, 1972 under (a) Small Businesses Loans Act (b) Fisheries Improvement Loans Act (c) Farm Improvement Loans Act and, in each case of refusal, for what reasons?

Hon. John N. Turner (Minister of Finance): Under the legislation for these programs the chartered banks and other designated lenders, who have the responsibility for processing applications for loans, are not required to report the number and disposition of applications received but only the number and value of loans made.

CIDA ALLOCATION OF FUNDS FOR RESEARCH PROJECT ON TRITICALE BREEDING

Question No. 615—**Mr. Hales:**

1. How much money has been allocated by CIDA to the University of Manitoba and the CIMMYT program?

2. On what date was it allocated and for what period?

3. What are the potentials of this program and what will it mean to Canada?

4. Where is the money for this research being spent and under whose direction is the program being administered?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1 and 2. CIDA has allocated to the Centro Internacional de Majoramiento de Maiz y Trigo (CIMMYT), in Mexico, a grant in the amount of $2,500,000 to support CIMMYT's research project on triticale breeding, together with a further grant in the amount of $750,000 for Canadian research institutions to carry out research projects in the same field. Out of these, $500,000 will go to the University of Manitoba. The funds have been made available over a period of five years starting in July 1971. As of March 31, 1972, a total of $210,000 has been paid out to CIMMYT and $98,833 to the University of Manitoba.

3. The development of Triticale, a man-made plant from the crossing of wheat and rye has been the subject of pioneering work by plant breeders and scientists at the University of Manitoba over some 15 years. The program should be one of the key factors in the fight against world poverty and hunger.

Triticale has revealed itself to be a source of exceptionally high quality protein. An examination of comparisons below will indicate the potential.

Protein Efficiencies of Selected Sources

Source	Protein
Whole Powdered Eggs	3.50
Powdered Milk	2.70
Wheat (White Flour)	0.59
Triticale (Best to date)	3.46
Triticale (objective)	2.70

The protein efficiency measure gauges the growth induced by a diet based on the plant. It will be noted that lines are now available which come close to the efficiency of whole powdered eggs, the most efficient known source.

As well as the benefits accruing to tropical countries from this research, there are excellent prospects for gains in Canada since triticale may possess some of the rye characteristics of reasonable yields under dry conditions, or in soils and climates, hot or cold, where traditional grains do not now excel. If triticale is proven to have this potential, it will have extra value as human food protein, either directly or through the feeding of animals, in many arid, hot and cold regions of the world. Its use, therefore, as grain or forage in northern regions of Canada would be a most valuable by-product of research.

4. The International Development Research Centre (IDRC) acts as the principal executing agent on behalf of the Canadian International Development Agency (CIDA) for these programs. Canada has observer status at board meetings of CIMMYT, and Dr. H. Steppler of McDonald College represents CIDA as a member of the IDRC Advisory Panel. Furthermore, Canadians are in charge of the triticale program both in Mexico (Dr. Frank Zielinski) and in Manitoba (Dr. G. Anderson).

CANADIAN EXPORT DEVELOPMENT CORPORATION LOAN TO ISRAEL

Question No. 634—**Mr. Macquarrie:**

1. Has the Canadian Export Development Corporation in Ottawa approved a loan or credit to the State of Israel and, if so (a) what is the amount of this loan or credit (b) for what purpose is this loan or credit?

2. Has the Canadian Export Development Corporation extended a loan or credit to any other Middle East countries?

Questions

[*Translation*]

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Export Development Corporation states: 1. Two loans have been made to the State of Israel; details are as follows:

Borrower	Amount	Purpose
State of Israel	$ 2,205,000	To finance the sale of telecommunications equipment by a Canadian exporter.
The Industrial Development Bank of Israel Ltd.	$15,000,000	To finance the sale of steam generators, equipment and related services by various Canadian exporters.

2. Yes.

[*English*]

REINSTATEMENT OF DAIRY QUOTAS

Question No. 636—**Mr. Mazankowski:**

1. How many producers have applied for reinstatement of their dairy quotas which were lost previously because of their failure to deliver 420 pounds of butterfat, as of May 31, 1972?

2. What is the distribution of applications for reinstatement, by province?

3. How many applications have been approved, by province?

Mr. Marcel Lessard (Parliamentary Secretary to Minister of Agriculture): 1. Reinstatement of dairy quotas was not based on applications from producers. It was based on the records of deliveries by each shipper during the 1971-72 year.

2. Answered by No. 1.

3. Numbers of reinstated quotas by province are: Prince Edward Island, 73; Nova Scotia, 47; New Brunswick, 76; Quebec, 309; Ontario, 240; Manitoba, 406; Saskatchewan, 1,158; Alberta, 610; British Columbia, 23; Total 2,942.

FEDERAL ASSISTANCE TO NIGERIA

Question No. 640—**Mr. Godin:**

Has the government granted a loan recently to Nigeria and, if so (a) in what amount (b) for what term (c) at what rate of interest?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Canada has granted two loans to Nigeria and both intergovernmental agreements were signed on April 4 of this year (1972). The first is a program loan in the amount of $5 million Canadian. The purpose is to assist Nigeria with its foreign exchange problems by making available funds which may be used to purchase Canadian goods and services. The only constraint placed on Nigeria is that the goods and services must be of a development nature. The second loan is in the amount of $1 million Canadian to cover the cost of Canadian consulting engineers who are doing the engineering for the extension of the Kainji Hydro-Electric Power Project on the river Niger. Montreal Engineering were awarded the contract.

[Mr. Macquarrie.]

Both loans are at zero interest, 40 years to pay with a ten year moratorium.

NUMBER OF CANADIANS TRAINED IN GUERILLA WARFARE

Question No. 645—**Mr. Hellyer:**

Have any Canadians or residents of Canada been trained in guerilla warfare in Jordan or Lebanon in cooperation with the Palestinian Liberation Front and, if so, how many and in what province or provinces do they currently reside?

Hon. Mitchell Sharp (Secretary of State for External Affairs): It would not be in the public interest to reveal any information that might be available on this subject.

STE. SCHOLASTIQUE AIRPORT

Question No. 646—**Mr. Hellyer:**

Were plans concerning the construction of a terminal building at the Ste. Scholastique airport changed because of unsatisfactory soil conditions and, if so, what was the nature of the problem and the extent of the changes required?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): No; plans concerning the construction of a terminal building at the Ste. Scholastique airport were not required to be changed because of soil conditions.

THREE PER CENT PERPETUAL BONDS

Question No. 653—**Mr. Rynard:**

1. What amount of 3 per cent Perpetual Bonds was outstanding as of December, 1971 and what was the quotation?

2. What consideration has been, or is being, given to a due date for the 3 per cent Perpetual Bonds?

Hon. John N. Turner (Minister of Finance): 1. As at December 31, 1971, $55 million perpetual bonds were outstanding; market price $42 per $100 bond.

2. Careful consideration was given to establishing a maturity date on the perpetual bonds prior to September 15, 1966, when the last coupon on the coupon registered bond certificates became payable. The Federal Government has from time to time reviewed its policy with respect to these bonds and does not feel that it is in the country's best interest to redeem or fix a maturity date on these obligations at this time.

QUESTIONS PASSED AS ORDERS FOR RETURNS

PUBLIC WORKS—EXPANSION OF OFFICE SPACE IN DARTMOUTH-HALIFAX EAST CONSTITUENCY

Question No. 182—**Mr. Forrestall:**

By department, has the government any plans to expand office and other floor space either through ownership or leasing in the constituency of Dartmouth-Halifax East in any of the next three years and, if so (a) for what purpose (b) at what annual cost?

Return tabled.

PEI—REQUEST FOR CONSTRUCTION OF CARAGEEN EXTRACTION PLANT

Question No. 361—**Mr. Macquarrie:**

1. What requests have been received from the Government of Prince Edward Island for the construction of a carageen extraction plant in that Province?

2. What has been the response to such requests, if any, from the Government of P.E.I.?

3. For the past ten years, what is the contribution of the Government of Canada to the Irish moss industry in P.E.I.?

4. For the past ten years, what has been the annual value of Irish moss harvested in P.E.I.?

5. To what countries and in what amounts to each country was this harvest sent for final processing?

Return tabled.

NUMBER OF PAPER MILLS IN CANADA

Question No. 464—**Mr. Rodrigue:**

1. How many paper plants are there in Canada and where are they located?

2. Since 1968, has the government paid any subsidies for (a) the expansion (b) the operation of paper mills in Canada?

3. How many plants have closed down (a) completely (b) partially?

4. How many workers have been laid off by paper mills in Canada since 1968 because (a) the plant was closed (b) production had diminished?

Return tabled.

DEPARTMENT OF AGRICULTURE—CONTAGIOUS DISEASES DIVISION

Question No. 618—**Mr. Lambert (Bellechasse):**

Does the Contagious Diseases Division of the Health of Animals Branch of the Department of Agriculture have several offices in Quebec and, if so (a) where are they located (b) which area is under the jursidiction of each office (c) who is the officer in charge of each office (d) what are the qualifications required of a primary products inspector in charge of applying regulations in force under the Animal Contagious Diseases Act?

Return tabled.

Mr. Knight: Mr. Speaker, I wish to bring to the attention of the parliamentary secretary question No. 525, asked on April 25, concerning the names of 14 agricultural and livestock firms whose offers to have displays at the Canadian trade fair in Peking in August have been accepted. I wonder whether the parliamentary secretary would look into this and try to make an answer available this week.

Mr. Béchard: We shall look into that matter immediately.

Inquiries of the Ministry

ORAL QUESTION PERIOD

FINANCE

POSSIBLE MEETING OF INTERNATIONAL MONETARY FUND FOLLOWING FLOATING OF POUND STERLING

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Finance whether a meeting is planned in connection with the International Monetary Fund or the Group of Ten following the free floating of the pound and speculation about other possible developments.

Hon. John N. Turner (Minister of Finance): No Sir, not at the moment.

INTERNATIONAL MONETARY FUND ARRANGEMENT FOR FIXED RATE OF EXCHANGE—GOVERNMENT POSITION

Mr. Stanfield: I should like to ask the Minister of Finance what is the attitude of the Government of Canada toward the International Monetary Fund arrangements. What is the attitude of the Government of Canada toward the fixed rate structure, fixed parities, as a basis of international monetary arrangements, subject to whatever reforms he may wish to suggest with regard to the width of bands? Does the government favour the retention of fixed parity rates as a basis for international exchange, reserving its own right, of course, to float the dollar for the time being?

Mr. Turner (Ottawa-Carleton): That would be our position. We are satisfied with the arrangement made in Washington in December providing for fixed rates of exchange with a 2¼ per cent margin on either side. We made our position clear at that time, that in view of the particular situation in which Canada found itself we would continue to maintain a floating rate until there was more stability in the international monetary picture.

• (1410)

Mr. Stanfield: A further supplementary question, Mr. Speaker. In view of the further movement away from fixed rates of exchange, with, for example, the British currency floating and rumours about the possibility of others, does the Minister of Finance propose to take any initiative with regard to international monetary arrangements, or does he intend to let nature take its course?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, we will take any initiative we can if we think it can be fruitful. At the moment, as I understand it, the foreign ministers and Ministers of Finance of the member countries of the EEC are meeting in Luxembourg and I imagine this will be one of the topics of conversation.

Inquiries of the Ministry

PENSIONS

CANADA PENSION PLAN—POSSIBLE ACTION TO KEEP IN LINE WITH QUEBEC PLAN

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. In view of the serious consequences that will follow if the Canada pension plan and Quebec pension plan get out of line, and in view of the fact that a bill has been tabled in the Quebec National Assembly to amend the Quebec Pension Plan effective in 1973, can the minister say whether he discussed this matter with Mr. Castonguay when he saw him at Quebec City last week end; and would the minister also say what steps the federal government is taking to try to make sure that these two important pieces of legislation remain synchronized?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, in answer to the hon. member may I say that I discussed this whole area with Mr. Castonguay. It is my hope that following our discussion we can get together again, for further discussions about how his proposals with respect to the Quebec pension plan and our proposals with respect to the Canada pension plan can be brought together in order to preserve the uniformity between both acts.

CANADA PENSION PLAN—CONSULTATION WITH PROVINCES CONCERNING AMENDMENTS—POSSIBLE MEETING ON QUEBEC PLAN

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, as a supplementary question may I ask the minister what serious efforts the government has made to reach agreement with the other nine provinces concerning the amendments to the Canada Pension Plan of which the federal government gave notice in December 1970?

Mr. Munro: Mr. Speaker, discussions have taken place with the other provinces. In terms of arriving at an early consensus between the provinces I believe this is some time off yet since the matter has not been that high on the priority list of legislation with which the provinces and the federal government have been preoccupied. I see real efforts being made in this direction over the course of the next couple of months stemming from what took place last week.

Mr. Knowles (Winnipeg North Centre): A further supplementary question, Mr. Speaker. In view of the seriousness of the situation, and particularly in view of the bill that has been tabled at Quebec City, is the minister proposing to call a meeting of the responsible ministers of the other provinces at an early date so this issue may be resolved before there is a divergence?

Mr. Munro: Mr. Speaker, I do not know whether a formal meeting is necessary. May I reiterate that we have had intermittent discussions with the provinces on a continuing basis, and we hope to get intensive discussions with all the provinces underway shortly.

[Mr. Turner (Ottawa-Carleton).]

FAMILY INCOME SECURITY

FAMILY ALLOWANCES—CONSULTATION WITH QUEBEC

Hon. Robert L. Stanfield (Leader of the Opposition): A supplementary question, Mr. Speaker. May I ask the Minister of National Health and Welfare whether in the course of the discussions he was able to reach full agreement with Mr. Castonguay on the question of family allowances?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, the discussions with Mr. Castonguay relative to this point indicated that he was considering the whole question of the provincial option, and whether it would be acceptable. He indicated that he will let the federal government have a response when he has had ample opportunity to study the matter further.

* * *

PENSIONS

CANADA PENSION PLAN—POSSIBLE AGREEMENT TO DELAY QUEBEC PLAN PENDING CONSULTATIONS WITH OTHER PROVINCES

Mr. David Lewis (York South): Mr. Speaker, I should like to ask the Minister of National Health and Welfare this simple question. In his discussions with Monsieur Castonguay, was there an understanding between them that the bill tabled in the Quebec House will not be brought to completion until such time as discussions among the federal government and other provinces as well as Quebec have been completed and some arrangement for uniformity across Canada arrived at?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, there is no precise understanding along those lines. All I can say is, it is my hope that the bill will not proceed with such haste in the Quebec House that it would preclude discussions of the nature I indicated earlier, allowing sufficient time for both governments to get together in an attempt to preserve uniformity.

Mr. Lewis: You have no assurance?

Mr. Munro: No specific assurance.

Mr. Speaker: Order, please. The Chair will return to supplementary questions in a moment, but we should try to complete the first round of questions.

* * *

[*Translation*]

CANADIAN CONSTITUTION

POSITION OF PRIME MINISTER RESPECTING AMENDMENTS—OFFICIAL STATUS OF FRENCH LANGUAGE—RESUMPTION OF DISCUSSIONS WITH PROVINCES

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister.

In view of the statements he made over the radio last weekend, to the effect that the improvement in their living standards or the changes Canadians wanted, were not,

according to him related to the desired amendments to the constitution, I would like to ask the right hon. gentleman if his comments meant that he did not wish the Canadian constitution to be amended in regard to the provinces?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, not at all. I have indicated very clearly that much effort was made, last year to effectively introduce very important amendments to the constitution, which would have given, for example, a guaranteed official status to French throughout the country together with many other changes we had advocated. However, the hon. member knows that we have not succeeded and that the matter is still in abeyance.

Mr. Beaudoin: A supplementary question, Mr. Speaker.

Can the right hon. Prime Minister tell us if he will put forward in the near future a proposal to activate discussions with the provinces in order that all or them accept the official status of both languages in the country?

Mr. Trudeau: Mr. Speaker, I have often expressed my view on the subject and the hon. gentleman is perfectly aware of the federal government's position which is that it will be very happy if discussions could resume on the basis of the Victoria charter or on another basis acceptable to Canadians generally. We are waiting particularly for the government of Quebec to suggest ways out of the Victoria deadlock.

* * *

[*English*]

LABOUR RELATIONS

QUEBEC—LONGSHOREMEN'S STRIKE—ALLEGED DIFFICULTY IN ARBITRATION PROCEEDINGS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of Labour. In light of the report that the port strike arbitration has apparently hit a snag and the International Longshoremen's Union does not intend to submit its case to arbitration, will the minister now bring us up to date in respect of this latest report?

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, there have been no snags in the arbitration proceedings. They begin tomorrow morning. There have been some speculative reports, but I think we should treat them as speculative until the proceedings get underway.

QUEBEC—LONGSHOREMEN'S STRIKE—POSSIBILITY UNION WILL NOT ACCEPT DECISION OF ARBITRATOR—REQUEST FOR ASSURANCE OF SETTLEMENT SOON

Mr. Alexander: Mr. Speaker, in view of the report that the International Longshoremen's Union will not abide by any decision which comes from the judge, will the minister assure the House now that both parties will go into arbitration with the idea that both parties will accept any decision that is made by the judge?

Mr. O'Connell: Mr. Speaker, the Maritime Employers' Association has initiated the arbitration proceedings and I expect the other party to live up to its obligations in the agreement and in the law, to participate in the proceedings; to co-operate and to conform with the result.

Mr. Alexander: Mr. Speaker, the minister has certainly evaded my question for purposes unknown to me. I asked whether, in fact, he could assure the House that both parties to the dispute will abide by the decision handed down by the judge. That is all I am asking.

Mr. Speaker: It seems to the Chair that the hon. member is asking a question in exactly the same terms he used in the first instance.

An hon. Member: Which the minister ducked.

Mr. Alexander: Mr. Speaker, in view of the fact the minister does not want to answer that question,—

Some hon. Members: Order, order.

• (1420)

Mr. Alexander: —and in the light of the fact that it has been reported that this matter will be cleared up in the next two or three days and that the ports will be in a position to move cargo, can the minister assure the House that this is a fact?

Mr. Speaker: I believe the hon. member for Winnipeg North has a supplementary and will be recognized for that purpose.

* * *

PENSIONS

CANADA PENSION PLAN—CONSULTATION WITH PROVINCES ON AMENDMENTS

Mr. David Orlikow (Winnipeg North): I have a supplementary question for the Minister of National Health and Welfare. I wish to ask him whether in the intermittent discussions with the provinces, to which he referred earlier, in connection with possible changes in the Canada Pension Plan, he outlined in any detail at all to the nine provinces the kind of amendments to the present Canada Pension Plan about which the federal government has been thinking.

Hon. John C. Munro (Minister of National Health and Welfare): Yes, Mr. Speaker, although I must say that it was not necessary to go into that in any considerable detail. The provincial governments have been aware, since the publication of the white paper some time ago, of the general types of amendments that we would like to see in the Canada Pension Plan and they have been giving them consideration.

Inquiries of the Ministry

[*Translation*]

TORNADOES

MANIWAKI—FEDERAL ASSISTANCE TO VICTIMS

Mr. T. Lebefvre (Pontiac): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister.

Can he tell the House whether the federal government is prepared to assist the people in Maniwaki who suffered severely, on Saturday, June 24, as a result of a tornado which caused at least two deaths as well as extensive damage?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I wish to thank the hon. member for Pontiac for providing me with a report on what he saw on the site and for giving me notice of his question. I will answer, as in other similar instances, that the federal government is always prepared to discuss the ways in which it might assist the people who suffered from a disaster. Under the law, initiatives must come from the provincial government, then we discuss the way we are going to provide this assistance. I should like to add, Mr. Speaker, that Mr. Fortier, from the Canadian Emergency Measures Organization, who will give me further information to complement those given by the hon. member, is already on the site.

[*English*]

Mr. Speaker: The hon. member for Oxford.

Mr. Forrestall: Mr. Speaker—

Mr. Speaker: Order, please. Perhaps we might allow the hon. member for Dartmouth-Halifax East to ask his supplementary question.

* * *

FLOODS

UNITED STATES—POSSIBLE ASSISTANCE FROM CANADA

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I wish to direct my supplementary question to the Secretary of State for External Affairs and ask him if he could indicate to the House the extent of the Canadian aid to the victims of floods and other natural disasters in the United States during recent weeks.

Mr. Speaker: That is not a supplementary question. The hon. member will be recognized in a while for the purpose of asking that question if he can wait two or three minutes.

* * *

ROYAL CANADIAN MOUNTED POLICE

ALLEGATIONS BY FORMER CORPORAL RAMSAY—REQUEST FOR STATEMENT

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I had a question for the Solicitor General, but in his absence I will direct it to the right hon. Prime Minister. In view of the allegations by former Corporal J. Ramsay of the RCMP, will the government make a statement on motions concerning these charges before the present session of this parliament adjourns, hopefully later this week?

Right Hon. P. E. Trudeau (Prime Minister): I have not seen these so-called charges, but I will gladly ask the Solicitor General to look into the matter.

INQUIRY AS TO OVERTIME WORK WITHOUT PAY

Mr. Nesbitt: Could the Prime Minister tell us whether some members of the RCMP are required to work 300 hours a month or more without any overtime pay or any other recompense such as time off?

Mr. Trudeau: I will gladly look into the matter of whether the RCMP work harder than Members of Parliament.

* * *

REGIONAL ECONOMIC EXPANSION

MEETING AT CHATEAU MONTEBELLO—REQUEST FOR EXPLANATION OF NECESSITY FOR USE OF THESE FACILITIES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is directed to the Prime Minister in view of the absence of the Minister of Regional Economic Expansion and his parliamentary secretary who are supposed to be here today. Would the Prime Minister request that the minister responsible make a statement in the House when he returns explaining the purpose of a meeting which is under way now at the Chateau Montebello, also known as the Seigniory Club, which some 40 members of his department are attending and which began with a very lavish cocktail party last night. I wonder if the purpose of this meeting could be explained to the House?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will gladly direct the matter to the attention of the minister, but I am sure this is the kind of question which could be more properly put on the order paper.

Mr. Broadbent: Mr. Speaker, in view of the quite adequate facilities provided for this department within Ottawa, would the Prime Minister find out why it was necessary to send these officials, most of whom are working in Ottawa, to such a place, which costs the taxpayers more than $30 a day per person?

Mr. Trudeau: Mr. Speaker, I can understand that the—

Mr. Speaker: Order, please. The Chair would like to suggest to the hon. member that his supplementary is in the form of an argument. We will now return to the hon. member for Dartmouth-Halifax East who has a question related to one asked earlier.

FLOODS

UNITED STATES—POSSIBLE ASSISTANCE FROM CANADA

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, since storms are all first cousins, would the Secretary of State for External Affairs give an indication of the extent of Canadian aid to United States flood victims?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I am sure I join with all hon. members in expressing our great sympathy to the people who lost relatives, and who suffered the serious damage that has been done in parts of the United States, but I do not expect the United States government will ask us for help.

* * *

LABOUR CONDITIONS

CLOSING OF ANGLO-ROUYN MINE—POSSIBLE ACTION TO AVOID LAY-OFF OF EMPLOYEES

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Labour. It has to do with the intended closing of the Anglo-Rouyn mine near Lac La Ronge in northern Saskatchewan. The result will be the unemployment of some 250 workers over a period of five or six years. I have to tell him that there are three or four small companies who want to use the facilities of Anglo-Rouyn so that they might continue at least a substantial portion of the employment, but the company is taking down the supports and pit props which will make the mine totally useless unless action is taken. Will he have this matter looked into because I think, if he does, he will preserve the jobs of many who might otherwise be unemployed?

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, I will be very pleased to look into that question and in so doing to draw it to the attention of my colleague, the Minister of Manpower and Immigration.

* * *

TRANSPORT

REQUEST FOR EARLY DEBATE OF REPORT OF STANDING COMMITTEE ON RAIL PASSENGER SERVICE

Mr. W. M. Howe (Wellington-Grey-Dufferin-Simcoe): Mr. Speaker, I wish to direct a question to the President of the Privy Council in his capacity as government House leader. Last week the Standing Committee on Transport and Communications brought in a report containing some very important recommendations for future rail passenger service in western Ontario, and in fact for all of Canada. In view of the immediate importance of this report and its recommendations, particularly to western Ontario, and in view of the fact that the House may close on June 30 and not re-open until September 28, what steps is he taking to make it possible to have a debate on this matter in the House before the recess?

Inquiries of the Ministry

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, there is no step that I can take on my own to bring that report forward for discussion.

* * *

[*Translation*]

INDUSTRY

TEXTILES—REGULATIONS RESPECTING PENSIONS—AMENDMENT TO ACT

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, to a question which I asked a few days ago to the Minister of Industry, Trade and Commerce concerning problems with which the employees of the textile industry who want to retire at 55 are confronted the minister told me that that part of the policy concerning textile products is administered by the Minister of Labour, to whom I now direct my question:

Given the very high standards governing pensions for the employees of the textile industry who must retire at age 55, can the hon. minister tell us if he intends to table amendments to the legislation allowing these pensioners to draw their pension without too much trouble?

[*English*]

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, I would be pleased indeed to learn of those problems in any specific sense. I have nothing further to say except that I have no specific amendments at present with respect to that bill.

• (1430)

[*Translation*]

Mr. Beaudoin: Mr. Speaker, a supplementary.

Can the minister tell us whether he has met the Minister of Industry, Trade and Commerce to that effect and whether the latter pointed out certain problems?

Mr. Speaker: Order, please. The question is out of order.

* * *

[*English*]

ELECTIONS

INQUIRY AS TO DATE OF GENERAL ELECTION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. Was a very distinguished and senior member of the Privy Council expressing government policy when he said in Toronto during the weekend that the latest cabinet leak indicates that the government is planning to hold a general election on October 16?

Mr. Speaker: Order, please.

Mr. Hees: It is very important—

Mr. Speaker: I am sure that the question is very important to the hon. member as well as other hon. members, but I am sure that hon. member for Prince Edward-Hastings appreciates that the rules do not allow that question in these circumstances.

Inquiries of the Ministry

PENSIONS

CANADA PENSION PLAN—CONTRIBUTIONS BY SELF-EMPLOYED—POSSIBILITY OF RELIEVING PROVISION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I should like to direct a question to the Minister of Finance. Since self-employed Canadians must pay the entire amount of the Canada Pension Plan contribution as opposed to the situation of those who are not self-employed who only pay half, I wonder if the minister has given any thought to giving relief to those Canadians in the form of tax credit or deductions?

* * *

ROYAL CANADIAN MOUNTED POLICE

ALLEGATIONS BY FORMER CORPORAL RAMSAY—REQUEST FOR INDEPENDENT COMMISSION OF INQUIRY

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, now that the Solicitor General has arrived in the Chamber, I should like to put a question to him, in order to establish the accuracy or otherwise of statements made about the RCMP in the July issue of *Maclean's* magazine, will the government establish an independent commission of inquiry with the broadest terms of reference that could function in such a way as to fully protect the anonymity and confidences of members and former members of the force?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, from time to time my attention is drawn to articles which alternately praise the work of the RCMP to the skies and damn it to Hades. The Royal Canadian Mounted Police is an extremely valuable organization, which Canadians recognize as being very honest and very efficient. But it remains a human institution, and my role is to see to it that it really meet the aspirations of Canadians.

[*English*]

POSSIBLE APPOINTMENT OF OMBUDSMAN FOR MEMBERS OF FORCE—INQUIRY AS TO IMPARTIALITY OF GRIEVANCE PROCEDURES

Mr. Benjamin: A supplementary question. Will the minister and his officials give consideration to establishing some independent body or appointing an individual to act as an ombudsman for members and ex-members of the RCMP and would the minister also examine what, if any, grievance procedures exist in the force and determine how fair and impartial they are?

[*Translation*]

Mr. Goyer: Mr. Speaker, I shall certainly look into that suggestion carefully.

[Mr. Speaker.]

[*English*]

ALLEGATIONS BY FORMER CORPORAL RAMSAY CONCERNING ARREST OF INDIANS—POSSIBLE INVESTIGATION

Mr. Lorne Nystrom (Yorkton-Melville): A supplementary question to the Solicitor General, Mr. Speaker. In view of the serious statement made by the ex-corporal that some officers arrested Indian people in order to boost their record—that is the way I think it was phrased—and in view of the fact that this reflects upon many of the Indian people in this country, will the minister investigate this charge to determine whether or not it is valid?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, general critics are the easiest to make. If anyone is aware of any concrete fact, all he has to do is get in touch with me, my door is always open, and we will certainly make an inquiry if on first view there is enough evidence to support the charge.

[*English*]

Mr. David Orlikow (Winnipeg North): A supplementary question, Mr. Speaker. Would the Solicitor General look at the figures showing the number of people in jail in western Canada and confirm the fact that substantially more than 50 per cent are of Indian descent? Possibly the charges should be looked into very closely.

[*Translation*]

Mr. Goyer: Mr. Speaker, this is a very serious problem, which does not only concern police work but should also attract the attention of all scholars on the whole question of sentencing in Canada.

* * *

[*English*]

HEALTH

WESTERN PROVINCES STUDY OF MEDICARE COSTS—POSSIBLE FEDERAL PARTICIPATION

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Since the four western provinces have set up a committee to study and advise on health care costs at the provincial health ministers' level, will the federal department have any direct liaison with this committee?

Hon. John C. Munro (Minister of National Health and Welfare): Yes, Mr. Speaker, I hope that would be the case. It is normal for the provincial health ministers to request an observer from the federal department and we usually respond by having an observer there.

Mr. Speaker: Order, please. I believe the hon. member for Selkirk has a supplementary to the previous question.

ROYAL CANADIAN MOUNTED POLICE

ALLEGATIONS BY FORMER CORPORAL RAMSAY—POSSIBLE UPDATING OF COMMISSIONERS STANDING ORDERS GOVERNING SERVICE COURTS

Mr. Doug Rowland (Selkirk): Thank you, Mr. Speaker. My question refers to the same article. In view of the statements made about internal operations of the RCMP, will the minister have a thorough review made of the Commissioner's Standing Orders and other regulations with a view to updating them, particularly those applying to procedures governing the operation of service courts?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, I know that the Commissioner is doing his work. It is certain that the question of individual rights is obviously important and I shall certainly direct my attention not only to this problem as far as the Royal Canadian Mounted Police is concerned, but also to the prisoners' rights in all federal penitentiaries.

[*English*]

Mr. Rowland: I should like to ask the minister if he can at least assure the House that he will be looking into the charges made in this article and making some sort of inquiry to test their validity—

Mr. Speaker: Order, please. It seems to me that the hon. member is now asking the question which was asked by one of his colleagues in the first instance.

ALLEGATIONS BY FORMER CORPORAL RAMSAY—POSSIBLE INQUIRY

Mr. David Lewis (York South): A supplementary question, Mr. Speaker, and may I put it to the minister this way? Taking for granted the minister's statement that the Royal Canadian Mounted Police is a very efficient and desirable force in Canada and in view of the fact that the article referred to contains considerable opprobrium against that force, may I ask the minister first, whether he has read the article and second, whether he intends to take any steps to clear the RCMP of the charges found in that article?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, I have not read that article, but I intend to do so if time permits. On the other hand, I was clearly told that the allegations were couched in general terms.

Therefore, as I said a while ago, until my attention is drawn to specific cases, I do not intend to initiate procedures after articles published in the newspapers. Anyhow, I am aware that problems exist within the Royal Canadian Mounted Police as within any other human organization but I did not wait to read the article in the publication referred to by the hon. member before dealing with the matter.

[*English*]

ALLEGATIONS BY FORMER CORPORAL RAMSAY—CONSULTATION WITH MINISTER BEFORE STATEMENT BY COMMISSIONER

Right Hon. J. G. Diefenbaker (Prince Albert): A supplementary question. I should like to ask the hon. gentleman whether the Commissioner of the RCMP consulted with him before making the statement that he did regarding that article, since I recall that when the Commissioner made a statement about Communists being in Ottawa when the Chinese Embassy was opened, the Prime Minister admonished him and said that Commissioners should not make statements!

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Mr. Speaker, if that question was too long, I should like to ask a shorter edition. Was the minister consulted by the Commissioner with respect to this article which he has not had time to read, busy as he is, before the Commissioner made the statement?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, I understand that the Commissioner has given no press conference, but he told me that he made some remarks to a reporter before reading the article in question. This means that he himself does not always have time to read the papers. Thereafter, for a second time, he made comments to a reporter. That is all.

[*English*]

Mr. Diefenbaker: The minister tried to destroy the Mounted Police, now he is trying to discredit them.

* * *

FINANCE

TAX CUT FOR MANUFACTURING AND PROCESSING INDUSTRIES—ALLEGED CONSULTATION WITH CANADIAN MANUFACTURERS ASSOCIATION—POSSIBLE CONSULTATION WITH OTHER GROUPS

Mr. Bill Knight (Assiniboia): Mr. Speaker, I have a question for the Minister of Finance who, with his department, is to confer with the Canadian Manufacturers' Association about the application of the corporate tax cut in the manufacturing and processing industries. I wonder if the minister could inform the House if other associations and groups will be conferred with, likewise.

• (1440)

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I am not conferring with the Canadian Manufacturers Association about the tax cuts.

Inquiries of the Ministry

PENSIONS

CANADA PENSION PLAN—PROPOSED HIGHER RATE OF ESCALATION UNDER QUEBEC PLAN—CONSULTATION WITH OTHER PROVINCES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wonder if I might put another question to the Minister of National Health and Welfare concerning the proposed amendments to the Quebec Pension Plan which were indicated the other day by Mr. Castonguay. Since one of the proposed amendments calls for a higher rate of escalation of benefits under the plan, will the federal government add that question to the list of those being discussed with the provinces concerning amendments to the Canada Pension Plan?

Hon. John Munro (Minister of National Health and Welfare): Mr. Speaker, yes, that will be an appropriate item to add to the list.

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TRADE

INQUIRY AS TO RESUMPTION OF DISCUSSIONS WITH UNITED STATES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I direct my question to the Prime Minister. It is with regard to the trade discussions between Canada and the United States. Can the Prime Minister inform the House if there has been any resumption of the discussion of the differences between the two countries relating to the Auto Pact and other matters. Now that the Government of Canada has completed its review, are any renewed discussions under way?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, they are not under way at my level, but I would need to refer the question to the Minister of Industry, Trade and Commerce in order to see if any of his officials have been meeting.

* * *

SCIENCE AND TECHNOLOGY

WHITE LAKE DOMINION RADIO ASTROPHYSICAL OBSERVATORY—INQUIRY AS TO STEPS TO PROTECT FROM LAND DEVELOPMENT PROJECT

Mr. Randolph Harding (Kootenay West): Mr. Speaker, may I address my question to the President of the Treasury Board. In view of the damage which will result to the excellent research work of the Dominion Radio Astrophysical Observatory near Penticton if a certain land development project in the area proceeds, may I ask the minister what steps, if any, his department has taken to protect this important aspect of Canadian research?

Mr. Speaker: Order, please. I think that that type of question ought normally to be placed on the order paper. I appreciate that there is a possibility of adjourning later this week. There is also the possibility that this question might be considered at the time of adjournment.

[Mr. Turner (Ottawa-Carleton).]

Mr. Harding: On a question of privilege, Mr. Speaker, I think this matter is rather important and urgent. If steps are not taken at once, the outstanding research work of this station will be lost and I submit—

Mr. Speaker: Order please. That is why the rules are framed in their present form. If the hon. member thinks the matter is urgent, he is given the chance to discuss it later on the same day.

* * *

BUSINESS OF THE HOUSE

SUGGESTED CALLING OF WAYS AND MEANS MOTIONS

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, when Your Honour calls orders of the day, I wonder if, as the first item of business, we might deal with the ways and means motions on the order paper before going on with the takeover bill.

Mr. Speaker: Perhaps the Chair might recognize the hon. member for Battleford-Kindersley before calling orders of the day.

* * *

NATURAL RESOURCES

SUGGESTED DEPARTMENT TO DEVELOP OFFSHORE RESOURCES

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, may I address my question to the Minister of State for Science and Technology. In view of the minister's own statement with regard to the wealth on Canada's offshore ocean floor, is he prepared to recommend that a new government department be organized in order to develop this very important resource?

Hon. Alastair Gillespie (Minister of State for Science and Technology): Not yet, Mr. Speaker.

GOVERNMENT ORDERS

WAYS AND MEANS

INCOME TAX ACT

The House proceeded to the consideration of a Ways and Means motion to amend the Income Tax Act.

Hon. John N. Turner (Minister of Finance) moved:

That a Ways and Means motion to amend the Income Tax Act, laid upon the Table, Monday, May 8, 1972, be concurred in.

Motion agreed to.

INCOME TAX APPLICATION RULES—1971

The House proceeded to the consideration of a Ways and Means motion to amend the income tax application rules, 1971.

Hon. John N. Turner (Minister of Finance) moved:

That a Ways and Means motion to amend the Income Tax Application Rules, 1971, laid upon the Table, Monday, May 8, 1972, be concurred in.

Motion agreed to.

EXCISE TAX ACT

The House proceeded to the consideration of a Ways and Means motion to amend the Excise Tax Act.

Hon. John N. Turner (Minister of Finance) moved:

That a Ways and Means motion to amend the Excise Tax Act, laid upon the Table, Monday, May 8, 1972, be concurred in.

Motion agreed to.

AMENDMENT OF PART IV OF CHAPTER 63, STATUTES OF 1970-71-72

The House proceeded to the consideration of a Ways and Means motion to amend Part IV of Chapter 63 of the Statutes of 1970-71-72.

Hon. John N. Turner (Minister of Finance) moved:

That a Ways and Means motion to amend Part IV of Chapter 63 of the Statutes of 1970-71-72, laid upon the Table, Monday, May 8, 1972, be concurred in.

Motion agreed to.

* * *

INCOME TAX ACT

Hon. John N. Turner (Minister of Finance) moved that Bill C-222, to amend the Statute Law Relating to Income Tax, be read the first time and ordered to be printed.

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

* * *

EXCISE TAX ACT

Hon. John N. Turner (Minister of Finance) moved that Bill C-223, to amend the Excise Tax Act, be read the first time and ordered to be printed.

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

* * *

CUSTOMS TARIFF

Hon. John N. Turner (Minister of Finance) moved that Bill C-224, to amend the Customs Tariff be read the first time and ordered to be printed.

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

FOREIGN TAKEOVERS REVIEW ACT

MEASURE TO CONTROL FOREIGN TAKEOVERS OF CANADIAN COMPANIES

The House resumed consideration of Bill C-201, to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs, and Motions Nos. 1, 2, 3, 21 and 28.

Mr. John Burton (Regina East): Mr. Speaker, in dealing with the amendments now before the House, we must bear in mind that many Canadians view this bill as mocking Canadian nationhood. This is the type of measure which is bound to create confusion, misunderstanding and resentment among Canadians. Many also hold the view that the bill places Canadian nationhood in jeopardy, and that Canadians have the right to expect more forthright leadership from the government than has been demonstrated in this legislation. The view is widely held that the government is obligated to show more effective leadership and that, in this legislation, the government ought to demonstrate greater determination and greater will to do something concrete to solve some of the problems this country faces. For that reason I think it is important for us to consider these amendments seriously. If the government were to accept them, it would show that it is willing to be helpful, despite the inadequacies of the legislation it has presented to the House.

Some of the amendments now being debated were considered when the bill was before the Standing Committee on Finance, Trade and Economic Affairs. I was somewhat concerned, because a railroading job was done in putting that bill through committee. Hearings on this important legislation were limited, as was the number of witnesses called. The public was not invited to submit briefs or submissions. It is true that some uninvited briefs were submitted. These, however, came from people who had a particular area of interest to protect and who represented a particular point of view.

The amendments the government presented to the committee further watered down this legislation For that reason I feel our amendments are important, since they would give some thrust to the bill which is not now present in it. We listened to the minister's technical explanations as he tried to fight his way out of the woods. In dealing with the intricacies of the legislation, the minister seemed to be unable to see the forest for the trees. He was so concerned about giving technical explanations that, I think, he lost sight of the true purpose of the bill and of those issues with which our amendments deal.

I listened carefully to the comments of the Minister of Industry, Trade and Commerce (Mr. Pepin) when he spoke on the amendments now before us. He dealt particularly with the structure of clause 2 of the bill. He outlined carefully his concepts concerning clause 2 of the bill; three of the amendments now before us deal with clause 2 of the bill, Mr. Speaker. The minister presented the point of view that the structure of this particular clause represented a logical buildup. He went on to outline it in some detail. What he forgot to tell us about was the big letdown at the end. He presented the logical build-

up as he saw it, that the first part of the clause deals with concerns, the second with objectives and the third with factors to be taken into account. It so happens that the first three amendments under consideration this afternoon deal with each of those areas.

• (1450)

The minister suggested that among the concerns expressed in clause 2, economic considerations were central, and certain other consequential considerations, although not spelled out in the bill, flowed from there. We should note carefully this particular part of the clause. What this clause says, and I am paraphrasing, is that this bill recognizes that the extent to which control of Canadian industry, trade and commerce has been acquired by persons other than Canadians, thereby affecting the ability of Canadians to maintain effective control over their economic environment, has become a matter of national concern. The minister is stating the reason this legislation is being enacted is that there is national concern about this question.

The bill does not express any view as to whether Parliament or the government considers there is a cause for concern. It simply states that this measure is being enacted in response to a national concern about a problem and, therefore, the government has to do something about it. It goes on to say that the concern involves the ability of Canadians to maintain control over their economic environment. Here, we have one of the basic fallacies of the bill. One of the basic fallacies of the minister's presentation this morning was that he dealt solely, as does the bill, with economic considerations.

I am not one to under-rate the importance of economic considerations. After all, I am something of an economist by profession. I certainly stand by my profession, and I stand by the approach we have to use in doing our work. However, the minister has some other viewpoint about the paramountcy of economic considerations because he suggests that economic considerations can be described in more precise terms than political and social factors. On occasion in this House the hon. member for Essex-Windsor (Mr. Whelan) has expressed the view that if you get two economists together, they will each express a different point of view. I have taken issue with the hon. member's comment. At the same time, however, I think it is a fact that in dealing with economic considerations you have to make judgments, just as you do when you are dealing with political and social considerations. That is the first fallacy.

The second fallacy that has to be dealt with is that the manner in which this bill has been presented places economic considerations before all other considerations. I suggest that economic considerations do not come first. They do not come first within the milieu of Canadian society. The fact is, as was pointed out by the hon. member for Winnipeg North (Mr. Orlikow), if economic considerations held sway, we would never have had a Canadian nation or any of the benefits we have at the present time. If we allowed economic considerations to hold sway over social factors, many items of legislation passed by this Parliament and provincial legislatures throughout the years would never have seen the light of day.

[Mr. Burton.]

On the language question, the minister tried to make a case of some kind. I must confess that at first I did not correctly understand his reasoning and, therefore, I asked him a question. The minister stated that we can always make some comments to firms which are going to acquire Canadian firms, such as pointing out to them our language laws. The minister said that we could point out to firms intending to locate in Quebec or some other place that they must take these things into account. He said we do not want such a provision in any legislation, but he would make a firm aware of the situation. Is this not an example of pressure being exerted by the minister? As he admitted, there is no basis in the legislation for doing this, but nevertheless he is going to do it. In a number of instances recently, the government has done exactly what is intended to be done under this legislation.

It is very important that we give consideration to the amendment put forward by the hon. member for Waterloo (Mr. Saltsman) in which he attempts to change the description of the concern of the Canadian people so that it will read "the ability of Canadians to maintain effective control over their economic, political and social environment" rather than "the ability of Canadians to maintain effective control over their economic environment". I suggest the amendment more accurately describes the concern of the Canadian people at the present time. People are concerned about what is happening to our nation and to our society.

If the minister insists on retaining this description, it will be totally inadequate. It will be just one more factor that will lead to the disillusionment of the public with this legislation. The minister went on to state what he considered to be the objective of this legislation as expressed in clause 2. He pointed out that the present wording of clause 2 gives the authority to ensure that business enterprises acquired by persons other than Canadians will be assessed in such terms that the acquisition of such control is likely to be of significant benefit to Canada. The minister pointed out that the addition of the amendment I moved would place a double objective in the clause. He suggested that somehow or other these objectives would be inconsistent in that they would make it mandatory to consider the whole question of whether or not the acquisition of a particular firm would be likely to enhance the ability of Canadians to maintain effective control over their economic environment. The minister is exactly right. However, I suggest that the minister's logic breaks down at this point.

When the minister suggests that the spelling out of the objective of this legislation is contained in the last part of clause 2(1) dealing with the assessment of the benefit to Canadians, he does not carry through the outline contained in the first part of subclause (1) in which it is maintained that a concern of Canadians is the ability to maintain effective control over their economic environment. The minister's logic breaks down at that point.

The second part of subclause (1) is not consistent with the first part of the subclause which spells out the concern of the Canadian people. Of course, that is contingent upon subclause (2) which sets out the factors that are to be taken into account when dealing with this assessment. The minister made a couple of points here. First, he

suggested that this was inconsistent with the subamendment I moved because it was simply made one of the factors to be considered. If this is of concern to the minister, I would be quite happy to agree to a subamendment which would insert that particular wording in the preamble to subclause (2) rather than making it a separate paragraph.

The second point made by the minister was that this is really redundant because it simply deals with the point that is made in the subclause (2)(b). He quoted paragraph (b) which reads:

• (1500)

the degree and significance of participation by Canadians in the business enterprise and in any industry or industries in Canada of which it forms a part;

These are factors which are to be taken into account by the minister. But the wording does not spell out in what way the minister is to take these things into account. Proof of this contention can be found by reading the committee proceedings. I asked the minister questions about paragraph (d) which states that a further factor to be taken into account was the effect of an acquisition on competition within any industry or industries in Canada. The minister confirmed my impression that the paragraph did not state, in one way or another, how the minister was to carry out his assessment. In some cases he might be inclined to disapprove an acquisition because it increased competition; in other cases he might be inclined to disapprove it because it would have an opposite effect. I believe the same considerations apply to paragraph (b). This is why it is important that the new paragraph proposed by the hon. member for Assiniboia (Mr. Knight) be inserted in subsection (2) setting out the factors to be taken into account by the minister when assessing a possible acquisition.

Mr. Speaker: I am sorry to interrupt the hon. member but his time has expired.

Mr. Gordon L. Ritchie (Dauphin): Mr. Speaker, I am unable to accept this amendment because I feel it would materially increase the power of the minister to intervene in cases of take-overs. It goes far beyond anything outlined in the bill.

It is said that the bill before us would affect only 10 to 15 per cent of foreign investment in Canada involved in take-over operations. I suggest, though, that it is the beginning of a complete survey of all foreign investment here. Otherwise, why are the limits set so low, $250,000 worth of assets and gross revenue not exceeding $3 million. That amount of assets would be owned by any good-sized gravel company, along with the mortgage. It is set very low. All these companies of relatively small size will be involved in bringing their cases before the tribunal. Moreover, the proposals before us could easily be extended to encompass all the companies which might be concerned with take-over arrangements. If this further responsibility of considering the social and political implications of a take-over were added to the already onerous task of the tribunal, its members would require the wisdom of a Solomon. An almost impossible situation would be created.

Consider the case of a company which is connected with a particular aspect of Canadian life. Suppose it had been started by Canadians and foreign interests had bought in at some time to the extent of 5 per cent, which would represent an insignificant degree of economic penetration. At some time in its history it is likely that this company would be scrutinized by the minister and by his tribunal. I suggest it would be almost impossible for the tribunal, after an examination which is bound to be superficial in character, to decide whether a take-over would be beneficial to Canada. The technological aspect is obviously an important one, and the tribunal would have to ask itself what was likely to be the outcome of technological innovation. It might turn out that the change would produce insignificant results, or an unremarkable product. On the other hand, the product might be destined to take an important place on the industrial scene. So the picture before the tribunal is already complex and obscure. In these circumstances it would be most unwise to ask that body to take into account political and social desirability as well as the other factors.

I contend that the bill would make the Minister of Industry, Trade and Commerce (Mr. Pepin) a minor Caesar in the field of takeovers. We are already faced in this country by problems arising from regional differences. I call attention to a number of actions which have been taken in the last two or three years, entirely political in their nature and motivation. For example, there was the movement of Air Canada from Winnipeg to Montreal. Air Canada can obviously operate in almost any large city in Canada, but the operation was moved to Montreal on the ground that this was the most suitable centre for its activities. Yet we are all aware that if a move from Winnipeg was contemplated the logical place to go was Toronto. Then, there is Ste. Scholastique airport, a large and expensive airport which is already showing signs of being a white elephant. Presumably, it has not been located in such a way as to serve as many people as it should be serving. Consider western freight rates in the light of the extended hearings on rapeseed traffic. There can be no doubt that manufacturers in the east are being protected by the freight rate structure.

The proposal that the tribunal should become involved in what are essentially political and social decisions appears to ignore the unhappy experiences which have so often been the consequence of such decisions in the past. In a country as diverse and widespread as Canada there will always be decisions to be taken on a political basis. There is no reason, however, to compound what is already an unpleasant if necessary aspect of Canadian life by inserting a requirement, such as the one specified by the hon. member, into the piece of legislation before us.

Mr. Bill Knight (Assiniboia): Mr. Speaker, it is indeed a pleasure to speak on this motion. It is of real importance to the Canadian economy. I am always impressed by the minister's charm in the committee and in the House, but I am never impressed by his logic. The amendments I am proposing are designed at least to insert a tooth in the jaws of this toothless legislation so that the bill can chew some of the meat of the issues. The minister in charge does not seem to see it that way. He has indicated that amendments Nos. 3 and 21 in my name are already cov-

ered by clause 2, and he quoted the clause dealing with participation.

• (1510)

I understand that lawyers in Toronto have been having parties at which they laugh about who is going to be appointed to the boards of directors of Canadian corporations and who are to act as token representatives. My amendments are, as I have said, an attempt to insert a tooth in the jaws of this legislation, and I am sure that the minister was not shocked at their wording since it is taken from the principles contained in the bill. Having outlined the principles of the bill, they should at least be embraced in the criteria set forth in clause 2. However, in view of the statements made by the minister, both in committee and outside the House, I am sure he is not too concerned with trying to strengthen the legislation.

On looking through the amendments proposed by others in addition to my colleagues and myself, it is of interest to see those that will be accepted. The government's amendments reflect the concern of private industry, the Investment Dealers Association, the Canadian Manufacturers Association, the Canadian Bankers Association. But not one amendment on the order paper deals with the lack of direction I have outlined or with the kinds of proposals put forward by the Committee for an Independent Canada. Not one motion moved by the members of the New Democratic Party was accepted in committee. The only motions accepted by the minister and the government were those that eroded what little effect the legislation is going to have.

My amendments would be at variance with the opinions expressed by the Canadian Manufacturers Association; at least I would hope they would. Let me inform the House what that association said about the amendments and about the bill. They polled their membership before drawing up their brief and concluded as follows:

> We believe the policy expressed by Bill C-201, namely that foreign takeovers should be reviewed by the Minister of Industry, Trade and Commerce, subject to approval by cabinet, is moderate.

Hence, I have introduced my amendments. Whom does the Canadian Manufacturers Association represent in the Dominion of Canada? At least 60 per cent of the investment in that sector of industry is foreign. In the neighbourhood of 60 per cent of the firms are foreign controlled, and those firms find this bill moderate, not worth worrying about. In 1968 one-third of the increase in direct foreign investment, namely $1,835 million, was in the manufacturing sector, which has found this bill of no concern in terms of its over-all effect. They say it is a moderate piece of legislation, legislation about which they do not have to be concerned. This underlines the fundamental problem of this bill.

It has been said that this bill is but a first step along the road to doing something about foreign investment and foreign ownership in Canada. Government members who are rationalizing about their vote for the legislation are suggesting that it is only a first step. But when the Minister of Industry, Trade and Commerce addressed the Victoria Chamber of Commerce, he stated there was no second shoe to be dropped after the next election, that this bill was it.

[Mr. Knight.]

This legislation is the government's answer to the problem of foreign ownership and foreign investment in the Dominion of Canada. It is not an answer that is acceptable to the people who for the last four years have been listening to report after report after report, some of them from the government, stating we have to come to grips with this issue. And this is the solution the government offers. The fundamental questions of investment and ownership are not dealt with in this bill. As the hon. member for Duvernay (Mr. Kierans) pointed out, this legislation deals with perhaps a mere 5 or 6 per cent of the foreign investment that takes place in Canada today.

This bill, in a sense, is a sham. Certainly it is no answer. We are proposing amendments in an attempt at least to make some kind of changes, to give the legislation at least one tooth. The debate on this bill has centred around certain complaints from industrial sectors about administrative difficulties, and a number of amendments deal with this. Our amendments relate to the substance of the bill, on the assumption that the title of the bill means what it says.

I have already cited the reaction to the bill of the Canadian Manufacturers Association, which says it is moderate, that it is nothing to be concerned about. We now know why the government and Her Majesty's loyal opposition are going to vote for the legislation. This is a non-answer to a basic and fundamental question. I suspect, though I hope I am wrong, that the government will reject all amendments that try to improve and strengthen the legislation. Perhaps I am wrong and the minister will give due consideration to some of these proposals, mild as they are. I leave it to the minister's good grace to give these amendments due consideration, and I hope he will accept them.

Hon. Hugh John Flemming (Carleton-Charlotte): Mr. Speaker, I should like to make a few observations on the motion moved by the hon. member for Waterloo (Mr. Saltsman). I shall confine myself to the motion. May I first point out what in my opinion is the effect of the motion and indicate how the clause entitled "Purpose of act" would read were the amendment to be adopted.

I agree in general terms with the phrasing of the bill and with the idea of enunciating the purpose of the bill in its provisions. I submit it is of great advantage in all legislation to have the purpose of a bill set forth, so that those who implement it understand what the government is trying to accomplish. The framers of the legislation, for whom the minister is, of course, responsible, provided in clause 2 as follows:

• (1520)

> This Act is enacted by the Parliament of Canada in recognition by Parliament that the extent to which control of Canadian industry, trade and commerce has become acquired by persons other than Canadians and the effect thereof on the ability of Canadians to maintain effective control over their economic environment is a matter of national concern—

I agree with those words. I do not, however, agree with the hon. member for Waterloo that he is going to add anything to them by putting in the words "political and social" so that this would read in part "to maintain effective control over their economic, political and social envi-

ronment". I do not think it is the function of the state to attempt to have any control over the social environment of the individual. I do not take kindly to that from any government or any individual. I do not think there should be an indication of control over my political environment. I want to be the judge of the political environment so far as the government of the country in which I live is concerned. It seems to me that the amendment is likely to bring about such a thought.

I agree with the minister when he states that the law of economics, to a very great extent, governs the social life of individuals. We know that is the case. After all, the social life is a way of life. It is the standard of living, the way we live, the things we do and want to do and the life we want to live. Economic circumstances have a tremendous bearing on what the individual is able to do by way of accomplishing the things he would like. The individual tries to make a life based on advantage, pleasure, satisfaction and the interests of those with whom he is associated, and economics have a great deal to do with this.

The hon. member for Waterloo also expressed a doubt as to whether the government would see to it that people doing business in Canada obey Canadian law. I think I quote him correctly, and I have no inclination to quote him other than correctly. I think any government, even the government under which we are presently working, attempts to see that people and companies obey the laws of Canada. I think that is the responsibility of the government, and I find no fault with the way it is doing this, except in some cases which I try to mention to the proper persons.

The law of the country should apply to all corporate citizens, and I think it does at this time, but we have no law relative to takeovers. When there was some disposition on the part of the government to think that a couple of takeovers of oil companies and a uranium company were not in the public interest, steps were taken to indicate that feeling of the government. As a consequence, those takeovers were not carried out. The government did not confide in me as to what should be done, and I did not expect it to do that. Steps were taken, so it could be argued that there is no need for this legislation at all. When a situation is serious enough that the government thinks it should take action it takes action and, generally speaking, the people respect that action. We have proof of that in that these acquisitions or changes were not accomplished.

Generally speaking, it is a very serious piece of legislation that interferes with the ability of the subject, whether it be a corporation or an individual, to dispose of property to the best possible advantage. In my opinion that is very serious. I do not suggest it is not justified on the ground of general public interest. I am sure that is what my friends to the left would argue, that it is in the general public interest to have some regulations so far as takeovers are concerned. As long as individuals and corporations are operating under the laws of the land, surely they are carrying out the intent of the people who govern the country in which they are located.

Since we have before us a bill, to which the hon. member for Waterloo has proposed an amendment, I am sure he will not mind if I refer to a few things he has said. He mentioned that this government may have had a hand in preventing those takeovers to which I have referred. Of course it did, and I cannot see why there should be so much agitation to bring about machinery such as we have in this bill. Since the government has brought this bill before Parliament, it must consider there is an element of truth in the argument in favour of the need for grappling with this situation. The government thinks there is a need for taking action and has brought in this bill to set up certain machinery. It is now asking for the opinion of this Parliament about this machinery. It has also asked a committee for its opinion. That committee had a number of people submit their views. The bill is now back before us with some amendments.

The suggestion of a number of the speakers today has been that the machinery the government is placing before Parliament is inadequate. Some have indicated they will vote against it. I think I should vote against it because it is an interference with individual liberty and because the government has demonstrated an ability to grapple with the situation when it has the inclination to do so and when circumstances demand such action. That is not really the point of my remarks. My point relates to the difference between ownership and control.

The minister told the committee it was not the object of this bill to prevent takeovers which were in the interests of Canada, but rather to provide the machinery and the screening process by which it would be done. Having set up the machinery, I think it is appropriate that it should be administered by a department of government. Some people will argue that there should be some kind of board or semi-independent type of body set up to deal with this matter. I confess that I do not subscribe to that argument. Governments are elected and given the responsibility to carry on the affairs of the country. I do not believe in the principle of delegation. The government should proceed to deal with those matters. I do not find fault with the machinery, and I have said this privately to the minister. I am sure he will not mind my saying that again.

I am a bit concerned about the length of time it might take to get approval of a takeover which is very much in the interest of the Canadian people. He has assured me that he is conscious of that also, and I accept that wholeheartedly.

• (1530)

But coming back to the question of the motion, I find that I cannot accept the motion because I do not think there should be interference by any government with the social and political environment in which we live. I believe in the rights of the individual. I believe in individual initiative, and I believe in making the individual play his own part and use the talents he has. I believe sincerely in that general philosophy. But the question of economics is different due to the fact that we are surrounded by so many variable types of influence in our economic life and therefore naturally our government must step in and do something to protect us as individuals. There was a great philosopher who said at one time that it was not the function of governments to make people happy, but that it was the function of government to create an atmosphere in which they might make themselves happy. This I feel is something which we might all consider.

So I find myself unable to agree with the motion of the hon. member for Waterloo for the reasons I have just given. The government has a mandate to set up the machinery, and I am sure we will co-operate in trying to see that the machinery which has been set up, as amended by the representatives of the people, will do the best kind of job, the job that it is designed to do. However, I find myself unable to support the motion.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, the last speaker, the former premier of New Brunswick, could not have confirmed more adequately the belief held by a number of people in this party that the heart and core of the thinking of the Conservative party is essentially the same as the heart and core of the economic thinking of the present government. I say this, of course, without suggesting any disrespect for the seriousness and earnestness with which opinions are held by the hon. member, but simply to make a philosophical point that for many people Adam Smith died in the eighteenth century, but for the Minister of Industry, Trade and Commerce (Mr. Pepin) and for the spokesman for the Conservative party who has just sat down, it is evidently clear that Adam Smith is reigning supreme.

If you just look at the bill that is before us, Bill C-201, and consider the objections that have been brought against the motion introduced by the hon. member for Waterloo (Mr. Saltsman), it is clear that for example, the minister's thinking in economic matters was warped and perverted by his early liberalism, at the University of Ottawa presumably, where it was drummed into his head that there was a radical and profound distinction to be made between economic matters on the one hand and political matters on the other, and never the twain shall meet. He is like Thomas Hobbes, seventeenth century theorist; me, more like John Locke who was somewhat of a Democrat. At the same time he has the eighteenth century view of economics held by Adam Smith, which is also found in the thinking of Hobbes and Locke in any case. They made the same distinction 200 years ago that we heard in the hon. member's speech and that is the guts of this bill, between economic, social and political matters, the view of social reality that the more progressive and imaginative intellectual spheres began to disregard in the latter eighteenth, nineteenth and twentieth centuries. One would have hoped that that kind of distinction would have been irrevocably shattered, but alas it still resides very profoundly in the hearts of our cabinet members and, as I said, in the hearts of members of the Official Opposition.

Let us just look at the categories of the bill ostensibly designed to deal with the serious question of foreign ownership. If you look at the criteria that are to be considered in clause 2(2), paragraphs (a) to (e), you see references to economic activity in paragraph (a), to Canadians in the business enterprise in paragraph (b), to productivity, industrial efficiency and technological development in paragraph (c), to competition in paragraph (d) and to economic policies in paragraph (e). There is absolutely no reference to the impact on the lives of Canadians of economic decisions in terms of social and political reality. Surely, that is what society is all about. Surely, this is or should be a fundamental criterion in assessing the worth of the newly defined economic policy. It is not just a matter of economic efficiency, of technological innovation and of competition but, much more significantly, of the effects on the political and social aspects of Canada, the degree to which it encourages or discourages independence in the broader sense of that word, not just economic independence but the extent to which a move may involve important questions of the political durability of Canada as a union linking one part with the other.

[Mr. Flemming.]

Let us consider, for example, the decision to establish Air Canada, originally Trans Canada Airlines. Was that just an economic decision? Surely not, or the economic thinking of the government of the day, which still exists, would not lead it to come up with the decision to have a publicly owned airline. There are, in short, profoundly important political considerations that must play a role in any decision making in this area, and they are just the kinds of considerations that the government is not interested in including in the heart of its bill.

It is very interesting that in the most recent issue of the *Financial Times*—and I cannot forbear the pleasure of mentioning this—the issue of June 26, at pages 15 and 16 there are two separate news items. The first one refers to the government's policy on the takeover bill. The heading reads "Softening the Takeover Act" and the opening paragraph reads:

> The government has moved to meet business criticism of its takeover legislation. Industry Minister Pepin last week proposed four amendments to the Foreign Takeovers Review Act.

• (1540)

Then, it goes on to describe the amendments. It points out that each amendment is designed to please the corporate sector in Canada, that corporate sector which is overwhelmingly foreign owned. Readers of the *Financial Times*, most of whom would be supporters of the present corporate sector, would read that item with a great deal of pleasure.

Then, when they turn to page 16 they see another news item headed, "Ontario's Canadian Director Policy: Symbol, Not Threat." The opening paragraph in reference to the Ontario government's profoundly militant, profoundly imaginative, profoundly innovative action when it announced it was going to Canadianize Ontario industry by putting a few Canadians on boards of directors, reads—and the *Financial Times*, even though it is a conservative publication is interested in reality and not sham:

> Ontario's plan to force all provincial companies to have a majority of Canadian citizens on their boards by October 1, 1973 only sounds tough.

The article goes on to conclude that that bit of action proposed by the Ontario government is all form, and is totally lacking in substance. It points out:

> Business generally has reacted to the legislation nonchalantly.

In other words, the business community recognizes that kind of legislation for what it is. It serves to defuse the problem of getting real autonomy in Canadian economic matters by suggesting that a few more Canadians on boards will shift the direction of policy decisions. If there were real heart to that legislation, it would require effective guideline regulations and the imposition of sanctions, making it mandatory that Canadians on corporation boards must make decisions that have a positive influence

on research and development, on unemployment, on effective development of Canadian resources. That kind of substance is totally lacking in the Ontario legislation.

I just mention this to show that on two pages back to back in the *Financial Times* we have criticism of the Liberal government in Ottawa and of the Conservative government in Toronto. Here, in this chamber, we have had back to back speakers who, in philosophical outlook on economic matters, are absolutely in accord with the government, absolutely in agreement that the political state should not involve itself directly in influencing decisions by corporations that have an effect on the political and social affairs of Canada. It is a very revealing exercise.

Through our amendments we would make it mandatory on the government to ask such political questions as: what about the extraterritoriality question concerning foreign owned corporations? Will they obey United States law in terms of those to whom they may or may not sell goods? Will they be able to sell automobiles to China or the Soviet Union? Will they be able to hire foreign owned ships to transport wheat to China if this is contrary to the wishes of the United States government? This extraterritoriality question is profoundly important in terms of political significance, in terms of our being able to assess whether or not we are an independent nation.

The government would be able to intervene directly in terms of research and development matters which do not have just an economic impact. It could happen that a firm coming into Canada, which normally does a lot of research and development elsewhere, would provide a certain number of jobs and thus meet the narrowly defined economic criteria in the bill, but would do nothing to develop Canadian research and development potential, would do nothing to employ young Canadian scientists. Letting such a firm come into Canada without a research and development commitment, or allowing a takeover without insisting on a research and development department, would meet the narrow economic criteria but would not meet the political and social criteria. Our young people want to work in industry, and for the sake of the long-term economic interests of the country we must have a strong research and development industry.

The minister knows very well that the OECD report issued last fall, outlining a study of the ten leading industrial nations, put Canada far at the bottom of the list in terms of doing its own research and development. It was not just one step below the ninth on the list, but quite a way below it. To have a modern economy that will thrive and grow, we must have this kind of potential.

Some consideration must be given to the allocation of investment funds. Some consideration must be given to restriction of the Canadian banking industry. Is it going to be allowed to finance further takeovers? Is it going to be restricted to the financing of Canadian owned enterprises? There is nothing in this bill which says anything about that. There is nothing in this bill which deals with the existing levels of foreign ownership. Its provisions are all concerned with the future. It does nothing about the fact that 50 per cent of our manufacturing industry is foreign owned, 65 per cent of our mining and smelting industry is foreign owned, and 74 per cent of our petroleum and natural gas industry is foreign owned. All the government is concerned about is future takeovers, and this in a narrowly defined economic sense.

I could go on at length to list about 15 other things that the bill does not include that were mentioned in the committee and that were dismissed without serious argument by the minister. But I will not do so. I end up urging acceptance of our amendments, urging rejection of that narrow 18th century economic philosophy which separates economic from political and social considerations, and hoping that the House will support us.

• (1550)

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I should like to speak briefly on the amendment to Bill C-201 before the House. This bill is the government's answer to the foreign ownership crisis facing the Canadian nation. If ever a piece of legislation needed amendment, it is the one we are debating this afternoon. I feel this is an anaemic approach to the problem of foreign ownership in Canada. As we look over the record of this government, however, we must realize that it is a typical Liberal approach: Do nothing by halves if you can do it by quarters. This is exactly the position this government has taken, not only on the matter of foreign ownership but on other very important issues. I find it particularly disappointing.

Having been in this House for the past four years and having seen the amount of research and effort that has gone into the problem of foreign ownership from all sides of the House, I feel there is genuine desire on the part of Canadians to make sure that we have control of our destiny, that we have control of our resources. I feel that we do not have that control largely because governments in the past have not dealt with the problem effectively. It has been a bitter disappointment to Canadians to realize that the announced policy has nothing to do with the expansion of existing foreign-owned firms into new areas and new industries, which is one of the key problems facing us. It has nothing to do with direct foreign investment coming into Canada, and it does nothing to increase Canadian ownership in the areas with which we are directly concerned. It will not reduce the percentage of foreign control which presently exists in Canada: in fact, there is every indication that the opposite will be the result.

If I may go back to the amendment presently before the House, I should like to read the first portion of the clause because I think it should appear in *Hansard* to show what the government is offering and what our amendment will do. Clause 2(1) reads as follows:

> This act is enacted by the Parliament of Canada in recognition by Parliament that the extent to which control of Canadian industry, trade and commerce has become acquired by persons other than Canadians and the effect thereof on the ability of Canadians to maintain effective control over their economic environment is a matter of national concern, and that it is therefore expedient to establish a means by which measures may be taken under the authority of Parliament to ensure that, in so far as is practicable after the enactment of this act, control of Canadian business enterprises may be acquired by persons other than Canadians only if it has been assessed that the acquisition of such control by those persons is or is likely to be of significant benefit to Canada,

having regard to all of the factors to be taken into account under this act for that purpose.

The clause now reads in part, "to maintain effective control over their economic environment" and our amendment would have it read "to maintain effective control over their economic, political and social environment". This amendment represents an extremely important addition to that clause. I heard the minister give his reasons for rejecting the amendment, but he is not fooling anybody in this House, and few of the Canadian people by indicating that we do not require the addition of those three words.

We have a number of examples, Mr. Speaker, and I do not think a little repetition will hurt. I am going to point out to the minister why the amendment should be accepted. The facts are crystal clear to anyone who wants to examine the background of the effect which foreign ownership has had on Canadian business. Foreign corporations with subsidiaries in Canada do interfere, and have interfered in a political and social way, with Canadian decisions and no member of this House can say otherwise. I shall give an example of what happened a few years ago when the Ford Motor Company of Canada had a large contract to sell 1,000 trucks to mainland China.

Mr. Pepin: Not again!

Mr. Harding: Yes, Mr. Speaker, again—because it does not seem to have come home to the minister yet, nor to the government and the cabinet who insist on this weak, watery approach to foreign ownership in Canada. One thousand vehicles would have been produced in a Canadian factory, by Canadian workers using Canadian raw materials. But what happened? The Ford Motor Company of Canada is a subsidiary of the Ford Company in the United States. It was against United States policy to trade with mainland China, so the Canadian subsidiary was forced to drop the contract to make those vehicles.

If that is not interference in the political life of this country, when what is? This is the very thing we are trying to prevent. No other country in the world should be able to tell us with whom we may trade. If we have an opportunity to sell goods to China, Cuba or any country in the world with whom we have friendly relations, the decision must rest with the Canadian people and not with some company in another part of the world.

The minister says we do not need this amendment. Mr. Speaker, other examples of interference were given to the House this morning when there was mention of a wheat sale. Apparently, because certain flour mills were under the control of United States companies, they were forbidden to ship flour to Cuba although the sale had initially been made to Russia. This is sheer and utter nonsense. We must be masters in our own house, but the bill before us does not give us that opportunity.

We hear about the effect and influence of foreign-owned companies on what is happening in Canada. Not long ago a conference on the environment was held in Stockholm. A strong delegation was sent from Canada; it offered to contribute $1 million toward global research into energy sources which would not create pollution, then suddenly the offer was dropped. The international press suggested that tremendous pressure had been put on the Canadian delegation by the big oil companies. The fund was to be established to search for another source of energy which would not pollute to the degree that oil does. This is sound and sensible, yet Canada withdrew the offer of $1 million toward the $4 million fund.

All we have to do is look around the northern parts of Canada. Look at what is happening in Arctic exploration. Foreign corporations, by applying pressure to various departments of government, have forced them to water down the strictness of land use regulations affecting the Arctic and now the fragile economy of the area will not be protected to the extent that it should.

• (1600)

The minister knows this, yet he sits there and tries to appease the Canadian people by telling them that such activities have little effect on the social and political life of this nation. That is utter nonsense. If the minister thinks for one moment that he has sold this watered-down policy to the Canadian people, he had better think again. Young people especially, who want to enter the Canadian labour force but cannot find jobs, are concerned. Young people with university degrees cannot find work, partly as a result of foreign ownership policies the Liberal government has fostered over the years.

We are shipping out raw materials at an alarming rate. Insufficient quantities of raw materials are fabricated into products within the borders of Canada. The result is lack of jobs for Canadians in Canada. That is why we demand action to be taken. We are in favour of a screening process, which is all this bill deals with; we are in favour of screening takeovers. At the same time we ask the government to move into other fields of foreign ownership so that we may become masters in our own house.

That is why we urge the minister to accept our amendments. They will be of benefit. They will enable the government to screen on a basis other than that of straight economic policy. The minister cannot deny that. There is need for our amendments, I submit. For that reason we ask the minister to reconsider his position, to accept the amendment before us and to take a small step forward in adopting a tougher policy toward foreign ownership in Canada.

Mr. Pepin: Mr. Speaker, would the hon. member permit a question? Obviously, all afternoon we shall be listening to NDP members. Would he and others care to tell us precisely what his party would do about foreign investment? Would they allow it? If so, in what circumstances would they allow any or some? And what would be the criteria for allowing foreign investment to enter this country?

An hon. Member: The minister should ask the Waffle group.

Mr. Harding: Mr. Speaker, we are not at all opposed to the screening process.

Mr. Pepin: I should hope not.

Mr. Harding: Spokesman after spokesman has outlined in the House the program the government ought to put into effect. The minister has sat there and listened. It is

useless running over the gamut of our suggestions. I mentioned some of them at the beginning of my remarks. One of the most dangerous aspects of this matter is the expansion of activities in Canada of foreign-controlled corporations. Right now there is no bar to their extending operations to other industries and taking over control from within. This is a key area. Why has the legislation not dealt with it, or has the cabinet not backbone enough to do so?

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I am anxious to take part in this debate. The Minister of Industry, Trade and Commerce (Mr. Pepin) asked the hon. member for Kootenay West (Mr. Harding) what an NDP government would do with regard to foreign investment, and would it allow any. The answer is that we would allow some foreign investment in this country, although there are some areas in which we would allow none. There are some areas in which we would allow a modest amount, and there are others in which we would allow larger amounts. Essentially, however, an NDP government would make sure that foreign capital entering this country would enter as loan capital and not equity capital.

The Minister of Finance (Mr. Turner) is trying to prevent loan capital entering Canada. He is discouraging it. His policy, obviously, adds impetus to the momentum with which foreign companies are taking over Canadian companies and adds to the dangers besetting our nationhood. Mr. Speaker, the NDP would allow some foreign investment but that foreign investment would need to obey Canadian ground rules which any reasonable, reputable and honest foreign investor would be glad to abide by. Many well developed countries of the world have utilized such rules for many years.

An hon. Member: Including the United States.

Mr. Benjamin: Mr. Speaker, the Liberal party reminds me of an old hound-dog on a farm in Saskatchewan. It is so unimaginative and lazy that when it sits on a cactus it preferred to howl instead of getting up.

These five amendments are good; they go right to the issue of foreign ownership and investment in Canada, a question which also has to do with takeovers. They go to the heart of the matter. I submit that these amendments have brought the government into the debate, although I do not see many Liberals taking part. The minister has been running around Parliament Hill during the last two weeks like a hysterical chicken: he has been seeking support for his bill.

An hon. Member: He is like a toothless hound-dog.

Mr. Benjamin: He has been trying to get an answer with a degree of haste which would seem indecent even in a lady of ill repute.

Some hon. Members: Shame!

Mr. Benjamin: After all the years this issue has been debated in Canada, after investigations lasting two years, after bringing down the Gray report and ruminating over it for several weeks, what has the government done? It has brought in this bill which falls far short of what is necessary. One can only conclude that the government still does not think it needs to do very much with regard to foreign ownership and foreign control of the Canadian economy.

It is evident from the speech of the Minister of Industry, Trade and Commerce (Mr. Pepin) that the government still adheres to eighteenth and nineteenth century concepts of foreign control which most advanced countries discarded long ago. After all the years of debate, the government has brought in this dismal bill. Then it has the gall to demand that the bill be put through with great haste so that we may prevent some possible takeovers. These, I submit, if they take place, will be a small percentage of the total number of takeovers which have been involved in the foreign ownership and control of our economy.

The hon. member for Fundy-Royal (Mr. Fairweather) felt that the NDP amendments were an attempt to put life into a bill that was so inadequate as to be hardly worth the effort of passing. I think I am paraphrasing him correctly. He may be right. But we must try and put something into the bill which will benefit Canadians and Canadian development. We have had to force the issue. We must make the government face it, debate it and accept some meaningful improvements and additions to the bill which would enlarge its scope and the ability of the government to act in the area of takeovers.

Here is an issue which is probably one of the most important, if not the most important, issues that has come before the Canadian people in the last 15 years. It is an issue we must debate urgently if Canadian nationhood is to survive. But we find only 11 Liberals out of 151 are present and interested in it. Where is the hon. member for St. Paul's (Mr. Wahn)? Where are the hon. members for Duvernay (Mr. Kierans) and Parkdale (Mr. Haidasz)? Where are the 13 who signed the submission saying this bill does not go far enough? Why are they not taking part in the debate? It seems to me here again is a chance for the hon. member for Duvernay to make his views heard, to make the minister and the rest of the government sit up and take notice. The minister wants to pass this bill in great haste.

An hon. Member: Where were you in committee?

Mr. Benjamin: Where was the hon. member in committee?

Mr. Pepin: I think the hon. member is getting too excited.

Mr. Benjamin: The minister suggests that the control of our economic environment is sufficient, and that this matter comes first. I submit that the effects on our social and political environment flow directly from what happens in our economy. No doubt this has been the case throughout our history; that is the whole problem.

• (1610)

The amendment is an attempt to persuade the minister to at least help solve the problem by getting rid of that outmoded concept. The effects on the social and political environment should be given at least equal, if not greater,

consideration as the effects on the economic environment. These amendments are an attempt to get the minister to face up to that fact and recognize that the social and political environment is at least as important as the economic environment in the whole area of takeovers.

A company trying to accomplish a takeover should have to guarantee that certain social and political conditions will be met. If they cannot do that in addition to meeting the economic environment conditions, the takeover should not be allowed. Let me illustrate what I mean. If this amendment is accepted, and if a company in any industry contemplating a takeover cannot guarantee that its operations will not be affected by United States law or the law of any other country, the takeover should not be allowed. That has to do with the Canadian political environment. Surely the minister would like to have that part of the amendment in the bill. Surely these types of consideration should be equal to considerations of the economic environment.

Let me give another illustration. If a takeover by a foreign-owned food chain or other merchandising operation means the driving out of hundreds of Canadian small businessmen, corner groceries, small hardware merchants or clothiers, including some that are not so small, the takeover should not be allowed. That has to do with the social environment. By including the word "social" in the bill we would be saying that Canada in its own distinct way places great value on having a social environment that is distinct in nature. Small businesses then would not continually have the shirts ripped off their backs; they would not be swallowed up by the dozens, with those remaining gradually going belly-up. This situation has contributed to the vast destruction of rural Canada. For decades it has driven hundreds of small entrepreneurs out of this country. When is the minister going to wake up? Those are two reasons for inserting the words "political and social" in clause 2 of the bill.

Let me give a hypothetical example of what may happen if the amendment is not accepted. To a large extent the fertilizer industry is foreign-owned and controlled. There are a number of manufacturing plants in western Canada. The majority of them are foreign-owned and are controlled and directed from boardrooms in other countries. This industry is selling Canadian-made fertilizer packed in bags made in Canada, shipped on Canadian railway lines from Canadian fertilizer plants in Medicine Hat, Edmonton and Brandon to United States points where it is sold anywhere from $10 to $25 a ton less than it is sold to the farmer in Canada who lives beside the fertilizer plant.

Canadian farmers, individually and in groups, are trying to do something about their social and economic environment by banding together and ordering fertilizer at a point in either Montana or North Dakota. For example, a company in North Dakota assured a group of Canadian farmers delivery of 300 tons, six carloads, at $15 to $20 a ton less than they would pay in their own town. They received delivery of one car but the other five could not be delivered. That is very strange. I wish to cite another example. A farmer in Birch Hills, Saskatchewan, went to Montana, 450 miles away, and bought fertilizer for $20 a ton less than at home. This fertilizer had been manufactured in Edmonton, only 200 miles from his home.

There will be further takeovers in the fertilizer industry. The minister needs our amendment so that he can call a halt to takeovers by international fertilizer companies. The minister should say to these firms that if they cannot guarantee they will sell these products at no higher price to Canadian consumers than they will sell to people across the line, a takeover will not be allowed. That has to do with the social and political environment as well as the economic environment; you cannot separate the three. The minister is diluting the situation by submitting that the economic environment is first in importance. I submit the three go hand in hand.

I hate to say this, Mr. Speaker, but some opposition members and most members on the government side continue to contribute to the betrayal of our nationhood. Those are strong words. They contribute to this betrayal of our nation, albeit unwittingly and maybe even unwillingly, in ways which make one feel embarrassed and ashamed. This is probably the first time in history that Parliament has had a chance to do something about an issue of such magnitude and concern to Canadians in all walks of life—but what do we get? We get this tiny, faltering, half-hearted step.

Mr. Pepin: At least it is something. Two weeks ago there was not anything.

Mr. Benjamin: I do not want to sound like a flag-waver. In closing my remarks, I want to speak as sincerely as I can about our country and how we feel about it. No matter what our walk of life, political faith, ethnic origin or whatever else, we all have a deep love for this country. We may not run around waving flags, bragging and shooting off our mouths about it as much as people in other countries, but there is no question that this love is there. Surely it is not too much to ask the government of our country to do more than they are now prepared to do about our sovereignty and the control of our economic, social and political environment. We are a distinct country and a distinct people, geographically and socially. We have ways of doing things. We have a future that makes all Canadians, justifiably so, feel something special and that our country is special. I urge the minister to accept the amendment in order that we can give more weight to the last line in our anthem, "O Canada, we stand on guard for thee."

Some hon. Members: Hear, hear!

• (1620)

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I have every sympathy with the minister when he says he has to sit here all the afternoon and listen to what I suppose—

Mr. Pepin: I cannot stand on guard, but I am sitting on guard.

Mr. Gleave: The minister says he is sitting on guard instead of standing on guard. That is fine, as long as he sits on guard. My complaint is that he is just not on guard, standing, sitting or lying down.

Political and social consequences are important. The minister asked, "What did you do?" Well, when we formed the government in Saskatchewan we did several things. We went into the areas of a large number of northern lakes and said, "Whoever you are, you cannot build your cottages on the shoreline any more, because that shoreline belongs to the ordinary people and they should have access to it." We listen to news reports from Ontario and eastern Canada: people are complaining that they cannot get to the beaches on the lakes. We did something. As far as I know, we are the only province in Canada which owns its own gas distribution system and has the reserves to back it up. I believe this is still the case, even though a Liberal government, when they had the opportunity, peddled some of it off. If the minister wants to know what can be done, I will mention two or three things. Of course, a province is limited in the extent to which it can protect the economic rights of its people.

Mr. Lambert (Edmonton West): What province is losing people?

Mr. Gleave: The hon. member over there asks what province is losing people. Big deal! I am not apologizing for that part of it. It is due to the fact that we are largely an agricultural province, and the policies of the government with regard to grain sales in late 1968 and in 1969 just about bankrupted us. So we have encountered some difficulty.

The hon. member who threw that question at me knows it was true in Alberta and it was also true in Manitoba. We were having difficulty. But we found in Saskatchewan, as in other provinces, that foreign ownership is beginning to encroach on our farmland, not because foreigners particularly want to farm our land because they think it is a good speculative proposition, but because it is a hedge. The provincial government became concerned. It brought in a bill to deal with the situation and that bill has been referred to a committee which will discuss it and decide what sort of legislation will finally be placed before the legislature to protect the land. What do we get from the other side of the House? Here is a headline in the Saskatoon *Star-Phoenix*, "Ottawa opposes, Lang says". You have only one MP from the province of Saskatchewan.

Mr. Nystrom: One too many.

Mr. Gleave: Even before the bill becomes an act he intends, he says, to have it investigated. It is easy enough to say the matter will be hauled before the courts. Whether he will ever get round to it is something else. I doubt it. Hon. D. Steuart, leader of the opposition out there, is crying big crocodile tears; If you held out a dish you would be able to hear them splash. But as I say, some action is being taken.

In the city in which I live there was a refinery which was created by the people who work there. The refinery was started as a little highway refinery. Then it became BA, then it became Gulf. The decision was made to take it away. It is gone. It generated enough money to enable it to be placed there profitably. But at some point they decided it was to their advantage to place everything in the Edmonton area.

The Quaker Oats company decided it was to their advantage to locate their plant in Peterborough. They closed the other one down. They had no concern for the social implications of doing so. They had no consideration for anything except the prospect of making a buck. Maybe that is a good enough motivation for a company, but what kind of country would such a philosophy leave us? This question involves much more than ourselves; it involves generations who will come after us. Will they be able to play on the beaches of Prince Edward Island? Will they have access to the beaches of Ontario and Nova Scotia? What kind of country are we expecting? This is a valid question, I believe. It is more important in the long run than the question of how to make a buck most easily.

I read an article recently about the proposal to build a pipeline down the Mackenzie Valley. Answers to questions in the House indicate that a move of this kind is under way. But what about the effect on the ecology? This is a question which has not been answered. Apparently it is intended to go ahead anyway. But what about the people who live in the area? Don't they have rights? Do we have the right to set their wishes aside? Possibly we have the right legally—but morally? That is inevitable. Whether it concerns the Mackenzie Valley or the James Bay area, the decision will be made without very much consideration being given those who have managed to make a living satisfactory to them over a long period of time.

• (1630)

To get to the main substance of the bill and to the proposed amendments, surely the government must be aware of the very bad press this particular proposal has received. I have read hardly a newspaper article or editorial comment which says the bill is a good one, that the proposal is solid and will meet the needs of Canadians now and in the future.

Mr. Cullen: Do you want government by newspaper?

Mr. Gleave: I am just recounting the opinion that has been expressed. You may not like it, but I do not think that is government by newspaper. The newspapers are not going to make the decisions; the decisions will be made in this House and by the government on the other side of the House. Some members in committee from that side of the House expressed their unhappiness with this measure, and in view of the totality of the circumstances I do not see how the government can justify going ahead with it in its present form. It is too narrow in its approach and I do not think it will work or make much difference.

Mr. Pepin: You cannot measure whether it will work by its size.

Mr. Gleave: It is not a matter of size; it is a matter of selectivity, of objectives, of what we want. These objectives are not declared in the bill; it is left to a certain committee to make ad hoc decisions here and there. Unless the objectives are set out, these decisions will be weak because the measure is weak. It lacks any clear statement of objectives. I do not hear what the minister is saying from his seat, but I certainly appreciate his listening to me. I suppose he is trying to help me. We all know

how good natured he is and considerate of the members on this side, for which I thank him very much.

Let me repeat, in all sincerity, that the essential weakness of this approach is that the objectives are not clearly stated. In view of this, the measure will be ineffective. If it passes the House and becomes law, it will mean that at some future date we will have to review the bill and then try to undo what has resulted from lack of action in the meantime.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Laniel): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Greenwood (Mr. Brewin)—Public Service; the hon. member for St. John's West (Mr. Carter)—Regional Economic Expansion; the hon. member for Kootenay West (Mr. Harding)—Science and Technology.

GOVERNMENT ORDERS

FOREIGN TAKEOVERS REVIEW ACT

MEASURE TO PROVIDE FOR CONTROL OF FOREIGN OWNERSHIP OF CANADIAN COMPANIES

The House resumed consideration of Bill C-201, to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs, and motions Nos. 1, 2, 3, 21 and 28.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, on May 30 or 31 when I spoke in this debate I referred to the bill introduced by the Minister of Industry, Trade and Commerce (Mr. Pepin) as an economic eunuch. I said that it amounted to a big zero and would not do anything at all to further the repatriation of Canada economically, culturally or socially. I realize the minister thinks that this is rather humorous. He is one of the more conservative and status-minded ministers of the government, which is very unfortunate since this is an issue about which Canadians are very concerned, as demonstrated by recent public opinion polls.

In many ways this issue has crossed party lines. The 13 mavericks in the Liberal party as well as some in the Conservative party, and the Committee for an Independent Canada, composed of all political stripes, are all concerned about foreign ownership in the Canadian economy. By no means does this bill go far enough to solve the economic independence of this country, which I suggest is what most rank and file members of the Canadian citizenry want at the present time. The bill deals only with takeovers in the economy. As pointed out by the hon. member for Duvernay (Mr. Kierans), the hon. member for Fundy-Royal (Mr. Fairweather) and others, it relates to 5 per cent, 6 per cent or maybe 10 per cent of the total foreign ownership of this country.

For years there have been studies, task forces, commissions and public debates on the question of foreign ownership. We have had the Watkins report and the Gray report. In essence, both these major pieces of work, commissioned by Liberal governments, came to the same conclusion, namely, that the Canadian economy is far too much foreign-owned and controlled and that something must be done to repatriate it. Yet this is not being done.

The Acting Speaker (Mr. Laniel): Order, please. In pursuing his remarks along present lines, the hon. member seems to be debating the bill again on second reading. He is really debating the principles and objectives of the bill. I would invite the hon. member to bring his remarks to bear as closely as he can on the amendments before the House, which relate to the social and political effects of the bill.

Mr. Nystrom: I agree with you, Mr. Speaker, and I have given the reason for our party moving several amendments. We have decided it is not a good bill. Because we are concerned about foreign ownership, we want to strengthen the bill. We are now debating the first amendment, moved by the hon. member for Waterloo (Mr. Saltsman), which deals with the social and political aspects of foreign ownership as well as the economic aspects. I think these aspects are very important.

The amendments which the minister is going to consider are not those that groups like the Committee for an Independent Canada and the members of our party would like to see moved. I suggest that instead of listening to his friends in the Canadian Manufacturers Association, the stock exchange, and so on, he should bear in mind the interests of the ordinary workers and farmers of Canada.

As already mentioned by others, the Ontario government announced during the last few weeks it will take action to ensure that more Canadians sit on the boards of companies in the province. The Saskatchewan government is preparing a bill dealing with the foreign ownership of farmland. These steps are very important to the political and social way of life of this country. They deal with problems that must be solved quickly if we are to have a united Canada that will forge ahead in future years.

Questions have been asked by members on the other side of the House, and the Minister of Industry, Trade and Commerce and others ask about our approach to foreign ownership. They ask, "What about your party going into foreign markets and getting money from Japan and the United States for development in Saskatchewan and Manitoba?" We have done that in some cases.

• (1640)

Let me give one example. When the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) was premier of Saskatchewan, our government went to the United States and borrowed hundreds of millions of dollars for the establishment of the Saskatchewan Power

Corporation. The one important thing was that this was loan capital, not equity capital. Now the people of the province of Saskatchewan own the Saskatchewan Power Corporation, rather than some United States industrialist living in Chicago, Detroit or elsewhere. This is a very important distinction and an important political choice which I hope the minister will realize and consider seriously.

History will show that nearly every country in the world has had to rely on foreign capital at some stage of its development. The classic example is the United States. During its development it had a great deal of money from the United Kingdom and other European countries. But it made sure that the majority of that money was loan capital and not equity capital. Now the people of the United States own their own economy.

The same thing has happened in countries such as Japan and Sweden. Some 30 or 35 years ago Sweden was primarily foreign owned and controlled. The Social Democratic Party which assumed power there in 1935 accomplished repatriation of the economy. That was a matter of top priority and an important political choice, one which this government should make. We in this country are prostituting our economic destiny to a greater extent than any other industrial country in the western world. I suggest this is an insult to Canadians and a tragic policy for this government.

There is a difference between loan capital and equity capital, and we should realize the difference. When you buy a house and pay off the mortgage in 25 or 35 years, you own the house; but in respect of the Canadian economy this is not the case. It is like inviting outsiders, whether Americans or Japanese, to come into our houses, make themselves at home, use the furniture and even take our wives, and we pay them to do so. We let them make their profits and go back home. This is what is happening in Canada. It is something our government must stop, but it must take a major political decision to stop it.

I suggest we finance many foreign takeovers in our country. A United States economist in the department of commerce stated in 1968 that about 94 per cent of the money invested in Canada by American corporations is Canadian money. Some 94 per cent of the funds invested is really Canadian money obtained on the Canadian financial market. Some is borrowed from Canadian banking and lending institutions and some is profit from existing foreign firms, reinvested in our economy. We are selling out our country with our own money. Again, the minister should realize this and make the positive political decision.

We have funds in this country and we have ability. If we had a government with guts and imagination, surely to God it could create some policies and legislation to put our economy in the hands of Canadians. How, precisely, can we do this? The answer has been outlined time and time again in the Watkins report, the Gray report, by the Commons Standing Committee on External Affairs, the Standing Committee on National Defence and by certain members of the Liberal party, the hon. member for Duvernay, the Canadian Labour Congress, and the NDP. We know how to do this. All we need now is a political decision to repatriate our country. It could be done within a few years.

Another thing that concerns me about this bill is that not enough emphasis is placed on some of the political decisions which must be made, nor on some of the social and cultural aspects of the problem of foreign ownership of our economy. Four months ago I was speaking to a non-political group in Yorkton. Most of the people were not supporters of my party; they were young businessmen and executives. I was speaking about foreign ownership. During the question period one of the young people said there was something that might be even more important than economic control of our country being in the hands of foreign, multinational corporations. He suggested that the cultural and social influence the United States and other countries had on Canada was the most important thing.

In a few minutes this afternoon I want to try to underline that point. We have tended to ignore, eliminate or forget the powerful impact other countries can have on Canadian culture through the media, the theatre, the arts and such other things. Let me emphasize the importance to the minister and the government.

I remember back in the late 1950s when I was a student in elementary school in Saskatchewan. Many of us knew more about United States political figures than we knew about our own. We knew more about Abraham Lincoln, what he did and stood for, than we did about Sir John A. Macdonald; we knew more about Jefferson than we did about Laurier. This was in large part because many of the textbooks used in those schools were published in the United States. They were written by United States authors and contained American historical interpretations.

Perhaps the book publishing industry is an area that should receive high priority from this government. The government should look at it very closely from the point of view of assistance to make it truly Canadian. We should try to create a nation which has a special identity that is Canadian.

We have moved in some of these areas, and I do not condemn the government for absolutely everything it has done.

Three or four years ago the radio-television commission laid down guidelines and rules concerning broadcasting in this country. It said that within three years 80 per cent of radio and television stations must be Canadian-owned. We have pretty well attained that goal. This sort of thing can be done and must be done. It should be done in the book publishing industry, the film industry, the arts and such fields, as well as in economic areas in respect of resources, manufacturing, and so on. We should put more emphasis on these areas, then perhaps we would have a more vibrant country, that is more Canadian.

The French-speaking areas of this country have developed distinct culture that is Canadian. This is primarily so because they speak the French language and are less susceptible to the pressures of United States influence. I am very proud of that fact in Canada. I not only want to see it preserved, but stimulated. I should also like to see

this fact stimulated in respect of English-speaking Canadians. I think this is a very healthy thing.

Earlier the minister was questioned about the French language being the working language in Quebec. He was asked whether this should be a consideration when an outside company is considering a takeover in the province of Quebec. I suggest it should be a consideration because the working language of most people in Quebec is French. If a foreign corporation is to take over a Canadian corporation and ignore that fact, it should be a very serious consideration in government legislation. I am surprised that some of these things are not done, especially since the Minister of Industry, Trade and Commerce is from the province of Quebec and I am sure realizes it is a very important question in that part of Canada.

• (1650)

There are many other issues and points I would like to speak about, but my time is running out. However, I do want to emphasize that there are very important social and political considerations that we must take into account. Not all considerations in the country, when it comes to foreign ownership, are solely and distinctly economic. This country, for example, was built for many reasons other than economic. It did not make economic sense to build a nation that went east and west; all the natural economic and trade patterns went north and south but we went against some of these economic considerations.

My colleague, the hon. member for Winnipeg North (Mr. Orlikow), outlined many of these aspects when he spoke earlier about lack of economic sense when the CPR and the CNR were established. However, we made this decision and it was a conscious political one. We wanted to build a nation that was distinctly different from the United States. I suggest that in the future we will have to make a great many decisions that are political rather than economic. They may be social and cultural rather than economic. These considerations should be embedded within a piece of legislation such as this. If they were, then perhaps this bill, which up to now is really a big nothing, would have at least some significance and would go a little way toward repatriating the Canadian economy, the Canadian society and the Canadian culture which I am sure all of us want to see developed.

Again I urge the minister to stop listening to the Canadian Manufacturers Association, to his friends in Bay Street and those in the stock exchange, and instead to listen to the ordinary Joes of this country, the ordinary people who are interested in building a Canada that will provide them with jobs and a future for their children. We all know that we export a great volume of raw materials and that this industry provides very few jobs. It is capital-intensive. We should make a conscious, political decision to put more emphasis on manufacturing industry that is labour-intensive. I refer the minister to his colleague, the hon. member for Duvernay. I am sure if the minister listened to him he could—

The Acting Speaker (Mr. Boulanger): Order, please. I think the Chair has been very fair to the hon. member who has the floor, but perhaps in the few minutes left to him he should speak more to the amendment which is before us.

[Mr. Nystrom.]

Mr. Nystrom: Mr. Speaker, I respect your remarks. It is rather difficult for some of us, because we are speaking on a subject that moves us very strongly and on a bill which apparently does not move the minister, to contain ourselves to the narrow restrictions of certain amendments. But I shall abide by your wishes and in the few moments remaining to me I shall try to be more specific.

I urge the minister to accept this amendment. I ask him seriously to consider it and when he replies to outline some of the possibilities it may have, not to reject it totally out of hand because this is a very important question which affects all Canadians. Canadians want changes in this area and I think it is the responsibility of the government to lead the way. Governments are here to govern, to express the collective will of the people of Canada, and I am sure the people of Canada want us to go much further than we are going in the area of foreign ownership. That has been proven time and time again by people in all political parties, by various commissions, and by public opinion. I plead with the government to listen to them. The government has promised participatory democracy and a just society. Here is an opportunity to go a little way in that direction.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, in considering this matter I am reminded of the teacher who asked his class what was the capital of Canada and a pupil answered, "Mostly American". That is part of the problem that concerns us. We are considering the political and social impact of some of the economic factors which affect us. This makes me think of David Lloyd George of Great Britain when discussing a social problem of theirs. He said they were born paupers in the land of their birth. We are facing a somewhat similar situation in this country.

I would suggest to the minister and to the hon. member for Okanagan Boundary (Mr. Howard), who seems to be listening to the debate, that Canadians would like a piece of the action. This is really what we are talking about. We do not want all of it to be taken over by somebody else. If there is going to be a takeover here, we want to do it. This is what we are talking about. We would like a bill to help Canadians take over their own country. What concerns us is social, economic and political equality. In effect, we would like to walk around with some money in our jeans, in our own country, and we would like to feel that we have a stake in Canada.

The French have an expression "Maîtres chez nous". I am sure the minister, while he might not recognize my accent, is familiar with the term. I am suggesting, Sir, that those who own or control a country have an interest in that country. What, then, are they going to do with it? This is the intent of the amendment.

As I have observed people generally, those who own a house or a business, or those who manage a business have an interest in it and want to promote it. Those who look at a corporation as something that somebody owns, such as an absentee landlord, do not have the same interest in promoting the equity of the corporation. They might if they had a sense of proprietorship in the corporation. Let

me give an example which is fairly close to me. I do not own a share in the Bell Telephone Company, but I have listened to the piles being driven for the new building down the street. Even in that sense I have a sense of proprietorship in it. At least I have suffered with them a little. It is a fine building which is serving a purpose here in Ottawa. I am trying to point out, Sir, that there are things in which we have an interest because we are Canadians.

May I call it five o'clock?

[*Translation*]

The Acting Speaker (Mr. Boulanger): It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely notices of motions and public bills.

[*English*]

PRIVATE MEMBERS' MOTIONS

FEDERAL-PROVINCIAL RELATIONS

SUGGESTED NATIONAL CONFERENCE ON PRIMARY AND SECONDARY EDUCATION

Mr. John Lundrigan (Gander-Twillingate) moved:

That, in the opinion of this House, the government of Canada should consider the advisability of taking the initiative in securing the collaboration of the provinces in the convening of a national conference on uniform standards in primary and secondary education.

He said: Mr. Speaker, I consider it an honour to be able to speak on a matter which, if it does not receive national acclaim today, certainly in the next few years will have to be faced by a government of Canada. The motion which appears today on the order paper is not put forward for the first time. It was introduced last year by the former hon. member for South Western Nova. It was reintroduced early this year in my name, went through the usual procedures and now we are able to debate it for the next hour.

• (1700)

The first thing I want to say is that the motion can be refined. It would be no trouble at all for any member of the House to look at this motion as it stands verbatim, to take it apart and destroy it. One or two of its phrases are highly unpopular. Had I taken the time earlier in the year to refine the motion further I might have changed certain phrases. The motion contains the phrase "a national conference on uniform standards in primary and secondary education". As an educator who has spent quite a number of years in classrooms, I take exception to anything that could be defined as a uniform standard for the classroom. No educator, no citizen would ever introduce a motion calling for a uniform standard to be applied to a classroom setting.

If I were to speak about a curriculum, not only do I believe that you cannot have a national curriculum but I believe you cannot even have a provincial curriculum or a school curriculum in the standard sense. A curriculum is the total experience of an individual in the school or learning setting. It is something that exists at the individual level in the classroom. No educator would ever talk about a uniform standard applying to a curriculum process.

These are some points I want to clarify before hon. gentlemen opposite rise to speak on this motion. I would not consider uniform standards in terms of laying down in black and white what should transpire in an educational system across Canada in terms of text books, expenditures of funds or any of the specific goals of education. Again, these questions are not only of provincial nature but are better handled at the local level.

The purpose of this motion is to draw attention to the need for the federal government to recognize that in 1972 it has a responsibility in the area of human resource development, and to suggest that there should be a meeting of minds between municipalities, provinces, school boards, teachers and the national government to talk about all of the broader aspects of the educational process.

Turning back to 1867 when the nation of Canada was born, it is easy to understand that education was assumed to be a local issue. At that time it was totally a community issue. As a matter of fact, from studying the history of education in Canada we find that it was mainly the churches which became involved in the educational process. In those days very few people travelled from one part of the country to another. There was not the kind of mass migration that we see nowadays. And because of the political implications and realities of 1867, education was deemed to be purely a provincial issue.

For the last 25 or 30 years, broadminded educators have realized that education must be considered as something more than a provincial issue. The one thing that offends me even more as an educator than as a Member of Parliament is the hypocrisy of the various levels of government. Today the federal government is involved, actively and directly, in as many as 20 educational areas. But its hypocrisy is unbelievable. The federal government allocates funds to the provinces with which they can build vocational institutions. These facilities are owned by the provinces because of the constitutional hang-up. The provinces in turn sell seats in these institutions to the federal government, or rent space to the federal government, so that it can manage its federal manpower programs or adult occupation retraining programs. This avoids facing the reality of the situation, that vocational education is an integral part of the educational process and that there should be close liaison between the local educational systems at all levels, primary, secondary and post-secondary.

Again, Mr. Speaker, annually the federal government pays many millions of dollars to the provinces to be devoted to post-secondary education. The universities, which are an integral part of the educational process, receive their share of the federal revenue dollar but in effect never admit it. The provinces jealously guard what they consider to be a constitutional right. Recently a constitutional conference was held without a single aspect of education coming to the fore. I do not want to get involved in that debate, but when the provinces have a hang-up

over their constitutional and jurisdictional rights, and when the federal government maintains the hypocrisy of not wanting to get involved in education, it is the people of Canada who suffer the resultant hardship.

I do not have to tell my colleagues of the effect which the general mobility of the population has on our young people. All of us know of members of the armed forces who have been transferred around Canada, perhaps a dozen times in a decade, and know the effect this has had on the children involved. Each Member of Parliament who has brought his family to Ottawa can speak of the impact which lack of a common educational area has had on his family.

We are one of only two major countries in the western world which do not have a federal presence in their educational systems. I believe the federal government should face up to the fact that a major portion of the Canadian population is, or has been, in the process of moving from one part of Canada to another. Within the next decade perhaps all the population will move, once in a lifetime, from one part of Canada to another. This points to the need for the common presence of a national body in the area of education.

One of the biggest drawbacks to regional development is the lack of equal educational opportunities in the disadvantaged regions. Many provinces are fooling themselves whenever they stand up at a national conference and say they jealously guard their constitutional right over education. In effect they are denying their citizens equal educational opportunities. Unless we get the federal government involved in the educational process, the people of areas suffering regional disparity will continue to have a second-rate educational structure.

As examples I could mention several provinces but I will talk about my own because I know more about it. There is no way that my province can ever afford the share of the tax dollar that is necessary in order to provide its citizens with equal educational opportunities. We have not the tax revenues to provide the necessary school facilities. Here I am talking about the physical resource capability so that our young people may have the same opportunities as young people in Montreal or Toronto. Consequently, unless the provinces get off their high horses and the federal government is willing to involve itself directly in the educational process with the co-operation of the provinces, regional disparity will continue to exist.

• (1710)

As an example of how critical the situation is between the provinces and the federal government, all the regional development agreements are providing part of the infrastructure to certain areas for the building of schools. The federal government says it is part of the economic infrastructure. In Prince Edward Island some moneys have been allocated for school construction on the basis that the manpower capability will be needed in later years for economic development, so funds are allocated for education. What abominable hypocrisy that is, when we should be facing the reality that the province needs federal involvement—not direction but the type of involvement where physical and monetary resources are made available. Instead, the federal government, with the permission of the provinces, goes through about 20 back doors.

[Mr. Lundrigan.]

What I am saying, Mr. Speaker, is that in view of the fact that the federal government, with the co-operation of the provinces, is already involved in about 20 areas of educational development, in view of the fact that education today is more than a provincial and local issue, and in view of the mobility of the population, it is one of the imperatives of this Parliament that the federal government start talking to the provinces, the municipalities, the school boards and teachers to convene some sort of national conference on human resource development. It is almost out of order to use the word "education" in the House of Commons today, and indeed I am surprised that the Speaker has not ruled on that.

If there is to be a meeting of minds, we have to talk about an area of common interest and common involvement. We do not have to take authoritarian involvement or direction from Ottawa. We have to talk about the broad objectives of education which must be faced by the Canadian people. This is the intent of the motion. If we want some kind of equality of educational opportunity, if we want to eliminate the serious impact of the fragmentation of the process on the mobile public of the seventies, then we must start facing the facts.

Just before coming into the House today I spoke to some members of the armed forces and asked if they thought this motion had any relevance to their families. I was astounded to learn that the educational opportunities of many children had been ruined because when they moved from one system to another it was necessary to start the whole process over again.

As an educator, I could speak for hours on this subject and eliminate many of the arguments about uniform standards. That is not an adequate phrase and I could be blamed for not defining my motion. However, I hope that members taking part in the debate will not get hung up on that; I hope they will address their remarks to the question of some kind of common federal presence, and that they will be realistic enough to see that despite the fact it may be popular for members to stand at the end of the provincial road, they are also dealing with the lives of many thousands of Canadians.

Mr. Paul St. Pierre (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the subject the hon. member has raised today is timely and is of general interest in this country. There is widespread interest in public education and, as he pointed out, Canada has become a nation of very mobile people. I believe that the average family moves something like once every five years, and undoubtedly many of those moves are across provincial boundaries.

The motion is pertinent, also, because we are all concerned about disparities which exist among certain geographical regions and among certain economic, social and cultural groups. I rather expected the hon. member to speak at some length on the need for uniform standards, but I agree with him that in Canada we should avoid rigid, uniform educational standards from coast to coast and from north to south. We are a country of variety and the

needs in one part of the country are not identical with the needs in another.

I, too, tend to believe that the curriculum should not be identical in the hon. member's riding with that in southern Ontario or my own riding in British Columbia. However, I must also say that more uniform standards than are presently available to our students would be desirable. All hon. members undoubtedly have examples.

I can recall a young high school student from British Columbia who was brought to Ottawa by her parents. Being the capital of the nation, where bilingualism is a policy, the parents naturally expected that their daughter's knowledge of French would be furthered. It only took a short time for them to discover that the methods of teaching in British Columbia and Ontario were so different that if she were to pursue a French course here she would probably lose credits and possibly fail a year in school. As a result, the young lady took Spanish instead. This illustrates the need for some uniformity in education.

I think I should remind hon. members that there are considerable constitutional barriers to federal involvement in the field of education. The constitution clearly states that the power to legislate in the field of education belongs to the provinces, in and for each province. Most elementary and secondary education as well as post-secondary education is provided within the structures of the ten provincial systems. The federal government, naturally, must be concerned that all provinces have the resources necessary to provide at least a minimum service for Canadians, but its direct responsibility for elementary and secondary education is primarily limited to the Yukon and the Northwest Territories and, to some extent, to the native peoples. For post-secondary education it is confined specifically and constitutionally to the operation of our three military colleges.

Under these circumstances, I would suggest that the first initiative should come from the provinces; but I am not suggesting that the federal government has not been concerned with the way in which educational standards can be improved. A series of federal governments, Mr. Speaker, have shown active concern in various aspects of education—technical education, manpower training, higher education both in the universities and other types of post-secondary institutions, and the training of personnel for health and welfare services. The federal government for many years has been deeply involved in supporting university research programs.

The hon. member spoke at some length on the need for a federal presence in education in Canada. Mr. Speaker, we have a very considerable presence in education and I should like to put some figures on the record which are most significant in this respect. It is estimated that in the year 1960-61 the proportion of federal government support in relation to the total expenditures of all levels of government on education was 8.4 per cent; that is, of the 100 per cent contributed by provincial governments, municipal governments and the federal government, the federal government contributed 8.4 per cent. In the 1971-72 period the federal share had risen to 22.4 per cent. I might add that at present federal programs of education support are under active review.

• (1720)

In my view, however, the body to which this motion ought to be addressed is the Council of Ministers of Education, established in 1967. The ministers of education of the ten provinces have somewhat slowly, but persistently developed a permanent structure with a central office in Toronto. Several federal cabinet ministers have on several occasions met with the council, as have federal officials with their council counterparts, on matters relating to our federal programs. Although these meetings will continue, I feel that the broader implications of this motion are such that the council itself should take whatever initiative it feels necessary.

I fully realize the seriousness of the differences and disparities which gave rise to the hon. member's request for a national conference. I am sure all members of this House are aware of unfortunate disparities across our land relating to the education of our children. I agree with the hon. member that there should be a greater federal presence in the area of education, but would remind him and the House that there is a considerable degree of federal presence in this area, inasmuch as more than one-fifth of the education money in Canada is being provided by the federal government. The provision of this money I feel is evidence of a most satisfying and significant presence.

I also agree that the federal presence is by no means sufficiently visible. If an initiative were to come from an interprovincial agency such as the Council of Ministers of Education, I am sure the federal government would be prepared to give its full co-operation and to continue its involvement in education for the good of the young people of Canada.

Mr. Bill Knight (Assiniboia): Mr. Speaker, I rise to take part in this debate because the motion moved by the hon. member from Newfoundland is of great importance. I agree with most of his statements and, speaking as an educator, share his concern regarding uniform standards of education across this country.

As we look at our process of education we must not forget that there is a certain flexibility as between one province and another in teaching methods. For example, in the field of social studies or history, the aspects students might study in Saskatchewan might be different from those they might study in Newfoundland. In Saskatchewan, a student studying history might be taken to the site of the Riel rebellion. Students in Newfoundland might not be able to do so.

On the other hand, since young people may move from one end of the country to the other, it is important to keep standards uniform. This affects, I think particularly people of my generation and of the generation of the hon. member from Newfoundland who may be school teachers. People may train in one part of the country to be teachers, only to find that in time there might not be enough jobs for all those trained.

I submit that it is important for the federal government to introduce some kind of standard governing the employment of teachers in this country. If the federal government is lavishly to hand out, as has been suggested, 22.4 per cent of all money spent on education it ought, as the

hon. member from Newfoundland suggested, convene a national conference and deal with the problems of education on a national basis. We must remember that although the government pours money into technical and trade education, the people of this country are mobile. The young people of Saskatchewan may move to Toronto or Hamilton, and when they apply for a job in order to exercise their skills in the trade they have learned they may find themselves competing with 100, 200, 300 or 400 applicants from other parts of Canada who have taken the same kind of training on the assumption that jobs are available.

In this House we have taken part in interesting debates centering on the question of regional disparities. Regardless of anything the Council of Ministers of Education may say, I think it is up to the federal government to say whether we should introduce general standards in education which will meet the needs of our young people on a national scale as they become available for employment.

We must also consider the problem of young people who are trained in this country in a particular profession and who, not finding a job here, move to the United States in order to work in that profession. Only if there is a national program for providing employment in those sectors for which young people are being trained today will we be able to alleviate the problem of the exodus of our young, professional people to the United States. At the same time, of course, we must remember the social problems that arise from the mobility of our people. Relatives of mine in the armed forces have told me that young people moving from Noya Scotia to British Columbia, say, may encounter great difficulties in education. Also, apart from adjusting to the educational system, youngsters must make social and other adjustments.

We must also consider the difficulty, referred to by the parliamentary secretary, of financing education. When the British North America Act was passed in 1867 it was agreed that educational costs would be met by property taxes. It has become difficult to provide equal opportunities in education for all since property taxes are not sufficient for providing all the facilities required. The federal government, therefore, must come to grips with the question and determine whether the concept of financing education through property taxes—I am thinking of rural Saskatchewan in particular—is not outmoded and outdated. Is the property tax a large enough source of educational revenue in each of our provinces and municipalities?

The teaching profession at the post-secondary level in the last few years has developed some really interesting proposals for setting up a national council of educators which would look into the question of national standards. The parliamentary secretary told us of the Council of Ministers of Education. It is now incumbent on the federal government, I believe, to take such action as is suggested by the hon. member from Newfoundland and convene a national conference which will attempt to deal with the problems of education. I ought to deal with uniform standards as well as with the financing of education.

I conclude my remarks on this motion by expressing the hope that it will be voted on and will receive the unanimous support of the House. I compliment the hon. member for bringing forward the motion and I commend its intent.

[Mr. Knight.]

Mr. Maurice Foster (Algoma): Mr. Speaker, the private member's notice of motion No. 10, in the name of the hon. member for Gander-Twillingate (Mr. Lundrigan), reads:

> That, in the opinion of this House, the government of Canada should consider the advisability of taking the initiative in securing the collaboration of the provinces in the convening of a national conference on uniform standards in primary and secondary education.

• (1730)

First, I want to congratulate the hon. member for bringing this question before the House. It is a matter of concern to many Canadians. A year or so ago, when I travelled with the constitutional committee to various parts of this country, it was a common complaint that when people move from one part of the country to another their children have to move back a grade or forward a grade in school. Often the subjects are not aligned so that this can be done in an easy way. Therefore, I am glad the hon. member has put this motion before the House today.

I am also glad that the hon. member is not talking about a uniform curriculum but about uniform standards. I suppose standards are the end result of work in a specific curriculum. That may pose some difficulty, but I am pleased that he does not want a uniform curriculum, which of course would be very difficult to achieve. I do not think anyone in this country would like to see one flat, monolithic curriculum across the country in which students from Bonavista to Vancouver Island would learn exactly the same thing on the same day.

The problem of curriculum is even greater than one might think. It was only four or five years ago that in the province of Ontario we had a greater level of uniformity across the province. There were provincial school inspectors who made sure that we had a standard across the province. Since then the province has been carved into 30 to 40 school divisions. These divisions have considerably more autonomy than the old, local township school area boards. We have a multiplicity of curricula and programs in our school system within the province of Ontario, let alone a diversity throughout the country. If there were uniform standards they would be of great advantage to the hundreds of thousands of people who move every year from one part of the country to another. A recent figure that I read suggested that one in four families moves every year. I do not know whether they move interprovincially or not.

The hon. member referred to the problem of regional disparity. He suggested that regional disparity somehow relates to education. I believe there is a link. If you look around the world you will find that a reasonably high level of education and training—I use that term advisedly because surely training for a specific job is almost as important as broad, general academic education—well distributed throughout the population is probably the greatest factor in determining the relative affluence of any country. In many countries with tremendous capital investment, the average individual is poor. Many countries are very rich in natural resources but the people are relatively poor. In several countries, people with a high

level of education and training are not generally distributed throughout the population and there is a very low standard of living.

The hon. member made a good point when talking about regional development, but I am not sure that establishing standards across the board is essential. If we suggested that to the minister of education for Newfoundland, he might be inclined to look at us as federal people who are trying to stick our noses into the provincial pot. He might say something like Sir Winston Churchill said to the North American continent in the dark days of World War II: Give us the tools and we'll finish the job.

I think we can attack the problem of regional disparity, without setting uniform standards, by providing extra funds. The federal government has provided a great deal of funds to Newfoundland. I understand that through the special areas program, the Department of Regional Economic Expansion has made funds available for school construction. The federal government is putting a great deal of money into education in every province of this country.

I recently noticed a question on the order paper concerning grade 13 education in the province of Ontario, whether grade 13 was considered to be university level for the purpose of federal assistance. We found out that it is. In fact, 50 per cent of the eligible operating expenditures as defined in the Federal-Provincial Fiscal Arrangements Act, 1967, for grade 13 education in the province of Ontario are borne by the federal government. This is not generally known in the province. The provincial government probably does not mention this any more than necessary.

In the answer to this question on the order paper I read that in the fiscal year 1967-68, $16 million was provided for grade 13 education, and for the fiscal year 1971-72 it is estimated that almost $33 million will be provided by the federal government to the province of Ontario for the educational costs of grade 13. I think we can see from these figures that the federal government is deeply involved in education both at the university level and, at least in the province of Ontario, at the grade 13 level.

The real problem in the motion before us this afternoon is a constitutional one. Section 93 of the British North America Act makes it quite clear that education is primarily a matter of provincial responsibility. There have been many incidents throughout history where the provinces have made it quite clear that although they will accept money from the federal government for education, they do not want to hand over any of the responsibility for education to the federal government.

• (1740)

I might mention some of the areas in which the federal government is involved in education. Perhaps the newest is the bilingualism program under which funds are made available to provincial departments of education. A group from one of the high schools in my constituency recently asked me whether funds could be made available for a special immersion course. The response from the Secretary of State (Mr. Pelletier) was that funds are already available to provincial governments for such training, so it was impossible to get federal funds directly. Federal funds are also available in connection with the retraining and upgrading program. This is really a most important form of education because we are training men and women to do the jobs which are available for them.

The federal government is also deeply involved in the education of Indians and Eskimos. I understand that even here there is a great deal of diversity in programming, in the elementary schools at least. I do not know whether there are separate high schools on Indian reserves but the levels adopted in each province are the levels adopted by the schools for which the federal government is responsible as far as the curriculum of each is concerned. Criticism has been expressed in some provinces in connection with the role of the federal government in education through television. We read recently that the minister of transport of Quebec and the responsible provincial minister in Ontario were seeking increased jurisdiction over television and cablevision within their provincial boundaries. This is one area, I suppose, in which there will continue to be constitutional argument.

I was interested in the statement by the parliamentary secretary that between the fiscal year 1960-1961 and the fiscal year 1970-1971 the percentage of the cost of education borne nationally had risen from 8.4 to 24.4. I mentioned earlier that the committee on the constitution during its hearings throughout the country often heard it argued that there was a need for national standards in education. In this connection, it was interesting to read what is contained in the committee's report. The committee studied this subject and deals with it in recommendation No. 88. It reads:

> Education as such should remain exclusively a provincial power as it is at present subject to the guarantee for minorities set out elsewhere in this report.

Recommendation 89 reads:

> The provinces should create a permanent office for co-operation and co-ordination in education and federal participation should be confined to the area of federal jurisdiction over the education of native peoples, immigrants, defence personnel and dependants.

So, the committee seems to have opted for the idea of diversity. The permanent office has since been established, I understand, by the Council of Ministers of Education.

It seems to me that what is being proposed is a national conference. If such a conference were not sponsored by the ministers of education, it is likely that no provincial representatives would attend. So it appears that if we are to have a conference of the type suggested, it should really be sponsored by the Council on Education. Even if it were to do so, I do not know whether a national conference is really the place at which to hammer out guidelines toward a national standard system. Young people and educators tell me, when I talk to them, that many students are already placed in different grades for different subjects. Thus, for example, a child could be in grade eight as far as his class report is concerned, but he could be in grade four for reading and grade seven for mathematics. With an open approach of this kind, implying far greater elasticity in the school timetable, it would surely be even more difficult to create uniform standards for each grade and to do so would require all the ingenuity of our educators.

Mr. Lundrigan: The hon. member wrote his notes before listening to me. He had them prepared first.

Mr. Foster: The hon. member appears to be concerned. I do not know why. While he was speaking he appeared to be apologizing for his motion, anticipating there would be criticism of his idea. I realize his motion deals not with the curriculum, but with standards. But surely, in the end, standards are reflected in the curriculum. Yet I understand the hon. member's difficulty. The idea of establishing an education program based on grades which go remorselessly on and on is not what we need today. We want a system which is flexible, one which gives a person a broad education so that he can enjoy life while still providing substantial training as a basis for a future occupation. We hear about students in Ottawa who have already taken a BA degree and who then attend Algonquin College to acquire specific training.

What I am saying, in effect, is that although the hon. member's objectives are perhaps laudable we are a long way from realizing them, partly because the sort of education system he seems to have in mind is already ceasing to exist; more emphasis is placed on individual training and there is more training of the individual for a specific job. The idea of a national conference appears unlikely to come to fruition, however desirable it may be, for the reason that the provinces have already established a Council of Ministers of Education, and ministers of the federal cabinet meet with the Council from time to time to discuss specific subjects of common concern.

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, I should first of all express my pleasure that the hon. member for Gander-Twillingate (Mr. Lundrigan) should have brought this matter before the House. It is certainly one of the important questions which is confronting us today.

As the hon. member for Algoma (Mr. Foster) has just reminded us, uniformity of educational systems across the country is only one of the goals which we have. Another is to achieve diversity based on cultural differences across the country. It would be advantageous if at least the number of grades could be standardized from province to province, so that there would not be a final grade in Ontario of 13 and in Saskatchewan of 11, with students from each of these provinces finding themselves in rough equality when they enter university. This means that Ontario students require an extra two years' preparation, which may be argued to be a good thing because they would get a sounder grounding in the earlier years. At the same time, it would seem to place Ontario students at a competitive disadvantage, which perhaps is an unusual position for anyone in Ontario to find himself in.

• (1750)

Despite the fact that this subject is very important and that unity is one of the educational system's main objectives, I would have great reluctance in supporting the notice of motion as presently worded. I realize that the hon. member for Gander-Twillingate has asked us not to take the motion too literally, but it seems to me that the motion includes the concept of federal initiative and it is precisely that concept to which I object.

[Mr. Foster.]

If the motion were merely to prescribe that the federal government participate in such a conference, certainly I would have no qualms about that. I believe there should be such a conference and that the government should participate in it. The difficult question is the question of federal initiative. It seems to me there is nothing more destructive of unity in this country than any movement toward a federal intrusion into the field of education. The constitution committee took as one of its basic principles that responsibility for the cultural and social aspects of our national life should not only remain with the provinces but that provincial interests in these areas should be expanded. To suggest a federal initiative here, even if it is not one of substance but merely one of procedure, could well be misunderstood. Its symbolic importance would, I think, be recognized by the provinces, and the provinces in many cases if not in all would find themselves in a situation of difficulty and embarrassment in face of such a federal initiative.

The recommendation of the constitution committee of this House and the other place which is directly in point is recommendation No. 89, which is that the provinces should create a permanent office for co-operation and co-ordination in education. In substance, I fully agree with the type of thing that the hon. member for Gander-Twillingate has in mind, but the constitution committee was very careful to specify in the latter part of the recommendation that federal participation be confined to the area of federal jurisdiction over education of our native peoples, immigrants, defence personnel and dependants. Those are the exact terms of recommendation No. 89.

This recommendation was not lightly arrived at by the constitution committee. It was deliberately and carefully phrased. We felt that there should be federal participation because there is a federal role in education, not a general one but one confined to the particular area of education of our native peoples, immigrants, defence personnel and their dependants. Perhaps in the broadest sense of education we could also get into the manpower area which may arguably be a kind of education as well, though education in a sense that is not generally included in formal education. But to go beyond that would cause an intrusion into what is generally accepted as a provincial domain.

The reason we have a division of powers in the constitution, and provincial control over a matter as important as education, is precisely because Canadians are different across the country. Communities across Canada, not only English-speaking or French-speaking but all communities as embodied in the provinces, have different outlooks. They want to preserve certain aspects of their lives. I am sure that the citizens of Newfoundland want to preserve that which is characteristic of Newfoundland in their education system. If provincial education can be criticized at all, at least as it appeared at the time I went to school, it is because it does not cultivate sufficient sense of locality and of what the particular area brought to confederation.

I suggest that federal intrusion in education to the point where unity is given a role more important than any other goal would tilt the balance very much the wrong way and remove that element of local control and expression of culture that it is so important to maintain in this country. Therefore, while I greatly sympathize with the proposal

that has been put before the House today by the hon. member for Gander-Twillingate, I find I cannot accept the wording of his motion since I believe federal initiative is of its essence. In the result, I would ask the House not to endorse the motion.

Mr. Knowles (Winnipeg North Centre): Question.

Mr. Lundrigan: Call it six o'clock.

Mr. Grant Deachman (Vancouver Quadra): Mr. Speaker, in the very few moments left to me may I simply say that from the debate on this motion this afternoon it would seem that much of what the hon. member wants to accomplish through his motion has already been accomplished, and indeed is continuing to be accomplished, by the interchange of information at the provincial level and through the financial aid that the federal government gives particularly at the university and post-secondary education level.

Speakers preceding me have said that there is a Council of Ministers of Education. However, it does not end there; there are interchanges of information, conferences and conventions of public servants engaged in the field of education as well as school boards and teachers. There is also—

The Acting Speaker (Mr. Boulanger): Order. The hour appointed for the consideration of private members' business having expired, I do now leave the chair until eight o'clock p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

FOREIGN TAKEOVERS REVIEW ACT

MEASURE TO PROVIDE FOR CONTROL OF FOREIGN OWNERSHIP OF CANADIAN COMPANIES

The House resumed consideration of Bill C-201, to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs, and motions Nos. 1, 2, 3, 21 and 28.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, at five o'clock I was talking about the reason behind this motion, and suggested it was the social and political situation at the present time. We do not find people throwing rocks at their own windows or at the windows of their friends. This only happens when people are upset to the point where they think in terms of political disturbance and social revolution. It is generally felt that the people who become involved in social revolution are those who have the least stake in the country. This is something with which we should concern ourselves when trying to limit ownership as far as possible to our own people. Social and political development is likely to go hand in hand with the development of a country.

Let me refer to what was said in the *Financial Times* of June 26 regarding the oil industry. We find this at page 12:

> At this point, Mr. Macdonald has not gone any further than to reiterate Ottawa's 1970 guidelines. Canadians are supposed to have a "substantial opportunity" to participate in ownership, engineering and construction of the line.

The article referred to the Mackenzie Valley pipeline. It goes on to state:

> Canadian engineers have no doubt that they will participate—but as managers or under sub-contract?

Perhaps I might ask whether they will participate as labourers. I continue quoting:

> "This is the critical time," says one Canadian engineer. "One job leads to another." He argues that if a U.S. engineer is named to manage the Mackenzie project, chances are the same company will get the nod for three or four more big Arctic pipeline projects being considered.

Later in the article, we find this statement:

> The engineering firm which manages the project will have enormous power in hiring, assigning sub-contracts and specifying materials and equipment. The $5 billion pipeline will generate about $250 million in engineering fees—and provide work for thousands of engineers in Canada and the U.S.

• (2010)

Logically, a project as large as the Mackenzie Valley pipeline, particularly in view of its complexity and the fact that American as well as Canadian gas and oil will move through it, can hardly avoid involving the capital and engineering skill of other nations. I am not arguing about that. I am suggesting that the Canadian content should not be too small; and further, in connection with the amendment we are proposing, that if the Canadian percentage of business in that pipeline is too small, some of the political and social adverse consequences which I discussed earlier will increase.

I think we should make an effort now to ensure that Canada's interests are adequately protected. The hon. member for Duvernay (Mr. Kierans) suggested that no longer does capital come from people who invest their money; a large portion of it comes from the sale of products on the marketplace and it is built up within companies. I suggest to the minister that he should consider greater Canadian ownership of business in this light. We might invest, through the Canada Development Corporation, in a business such as this and get some return on our investment. I am sure the Canada Development Corporation, with the credit of the Canadian government behind it, could go to the insurance companies and borrow hundreds of millions of dollars as easily as a private corporation could.

I would like to make another suggestion to the minister. If we do not decide to do it through the Canada Development Corporation, we might use the Panarctic approach to ownership by foreign corporations. Why should we give a grant of $12 million to a company that will build a pulp mill? Why should we not invest $12 million in the company

and take a percentage of the profits, if any, at the time? I suggest that the effect, so far as raising capital is concerned, would be the same and that, logically, some of the ownership would go to the Canadian people if we used this approach. It seems to me that we should give more thought to this. We have given several hundred millions of dollars away in the regional development program, and especially, so far as big projects such as pulp mills and oil ventures are concerned, the government should actually invest the money rather than give grants.

I want to mention one or two other points which I think the government should well consider in connection with the matter we are discussing. I believe that there is a shortage of management training in Canada and that the government could well afford to give some encouragement in this area. This would have some effect on our political and social development in Canada. If the managers of a business are from somewhere else than Canada, if the ones who make the decisions that really count come from somewhere else, wherever this may be, the effect is detrimental. I do not think that we Canadians are any slower so far as our mentality, our intellectual capacity or our business sense are concerned. It may be that we have not had the opportunity to develop in some areas as we should, and I would like to suggest to the minister that he might consider further assistance along this line. Certainly we have some business schools in the country and perhaps we could give some aid or at least encouragement to them.

This is also important in a social sense. Small Canadian business in the Prairies is also important, and the logical thing to do would be to give them some encouragement to grow and become big business rather than encouraging some foreign owned giant to move in and take a further chunk of the Canadian economy. It seems a logical step that we might take.

I notice in sections of the Gray report some reference to joint ventures, and I have been advocating that we take a good look at this. I will not go into it in detail, but we might look at some other things. For example, we might discriminate in the sense of using government purchases from Canadian controlled firms rather than American controlled firms. We might give grants and loans only to Canadian controlled firms and we might use the tax system in favour of Canadian controlled firms. These are merely measures which might logically establish the political and social goals about which some hon. members have been speaking this afternoon.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have not taken part in this debate up to this point but I do not want to see this legislation pass without saying some of the things about it that are on my mind. We have proposed these amendments because we feel very strongly that this matter cannot be considered purely from an economic point of view. We feel very strongly that the economic, political and social wellbeing of this country is indivisible and that economics cannot be considered apart from the other two. No part of it can be separated or lost without the rest going the same way. That is why we seek to make these amendments in a determined attempt to put some bite into this toothless legislation.

[Mr. Thomson.]

Times without number this government has been warned, three times in its own reports and countless times by other thoughtful and authoritative bodies and individuals, that the extent and nature of American investment imperils Canada's economic independence, its political sovereignty and its cultural identity. But in spite of all these warnings, in spite of the growing misery, hardship and apprehension of Canadians, so many of whom are in difficulties because of the lack of a proper policy from the government, this government will simply not listen to these warnings. Instead, their ears are wide open to the siren song of continentalism, which means accepting American domination of Canada's economic, political and cultural future.

This proposal to screen foreign takeovers of Canadian companies means only some haggling over the terms by which a small fraction of U.S. capital enters Canada. It leaves untouched the whole disastrous set up by which Canada is gradually being inundated by the floodwaters of American big business, American political thinking and American cultural values. The worst of it is that the dike would hold if Canadians in the government were not perpetually weakening it from inside by poking holes through, thus enabling the flood to come all the more easily.

If this country is to be kept in one piece, we have to be masters in our own house, *maîtres chez nous.* This government is permitting a great and powerful neighbour to move in and lay down the pattern of living for us. This government is betraying the promise that Canada could develop as a country unique in its own way, with all kinds of possibilities and all kinds of developments which belong to this country and which we should promote ourselves. We have only to look at what is happening to see how disastrous the situation is, and this legislation will simply worsen it because it will mean nothing whatsoever and the same thing will go on increasingly.

Economically, this country has been allowed to drift into a situation where the two extremities of the country are starved for industry. On the west coast we have all kinds of good resources but for years and years our industry has been underdeveloped and we have allowed this government to go on doing this without setting up a policy to assist. Our jobs are being shipped out and with them go our incomes.

Not long ago the hon. member for Fraser Valley West (Mr. Rose) and I raised the example of a small company that had managed to produce and develop in Canada a special chainsaw which was being marketed and the market for it was growing. Then, the parent company which was controlled in the United States decided that it was not going to continue marketing that particular chainsaw and moved the operations away down to the United States. With them went the jobs and the incomes of a great many people in the region.

• (2020)

That is just one example of what has happened over and over again. The Maritimes at the other end of the country are not as richly endowed with natural resources as British Columbia but have a tremendous tourist potential, and there are some possibilities for industrial devel-

opment. The Maritimes, however, have been in a state of economic starvation, and with the prevention of its proper development comes the starvation of the future of its young people. The history of the Maritimes has been a dismal story. Its young people have had to follow the road to Boston, then west to the prairie harvest fields, finally reaching the Pacific coast where they settled down and made a fine contribution to our west coast life.

What has been the government's answer? Its answer has been to hand out more and more money, much of it to the same corporations which have been draining the resources of both ends of the country. Talk about seeking to cure yourself with a hair of the dog that bit you! This is the government's policy, and the patient gets worse all the time. Why does this lopsided development continue? It is for the simple reason that American developers and parent companies find it much easier to come into Ontario. They do so for transportation reasons as well as for resource reasons. Because the United States finds it easier to establish branch plants in Ontario, our government tamely allows this process to continue and, as a result, the eastern and western extremities of the country are underdeveloped.

From the consumers' point of view a serious situation is threatening. We are beginning to notice that control over food and grocery products is slipping more and more into the hands of the larger chain stores. The little grocery stores that used to be on the corner of every block are dying away. As yet all the great chain stores are not American controlled or American owned, but the greatest one in western Canada is completely American owned and controlled. I refer to the Safeway chain. Canada Safeway is its single Canadian subsidiary. Safeway is the largest retail food chain in the United States west of the Mississippi. Canada Safeway, a wholly owned subsidiary, operates 263 retail outlets from the head of the Great Lakes to the Pacific region, with some in the Toronto area. Its profits increased 40 per cent in the first quarter of this year. To a considerable extent it has been responsible for the rise in food prices. We do not know just how to assign responsibility, but we do know that the chain stores are to a large extent responsible for the rise in prices. More and more the Canadian consumer is at the mercy of control exercised south of the border.

The Batten Royal Commission report in 1968, which went into the whole question of food chains and food prices in the five biggest cities on the Prairies, said this:

> Safeway is recognized to be the price leader because ... it is regarded to be the principal price cutter in every city. Its reputation as a price cutter is not based on its having the lowest prices, rather it is based on well-advertised, selective price cutting.

In every city, except Saskatoon, Safeway was the largest advertiser by far. The only reason it was not the largest in Saskatoon was that three companies under Weston control advertised jointly.

But the worst part of all is what is happening to the future of Canadian culture. We know that when economic control goes, political control will also go. Culturally the result will be disastrous for Canada. We have built up a fine mosaic tradition encompassing different peoples. At times it has been touch and go, but we have succeeded with patience and understanding. On the other side of the border there is the melting pot tradition. Every person who goes to the United States has to become a 100 per cent American, homogenized. I say that the government's lack of policy as shown in this legislation will result in the ruin of our chances to make this a new and unique country all of its own. We began by attracting people from all over the world. We all came here, whether recently or six generations ago—

Mr. McBride: Not the hon. member for Kamloops-Cariboo (Mr. Marchand).

Mrs. MacInnis: Unless we stop this growth of domination by foreign interests, we will be lost as a country. Last March 24 when speaking to a National Executive meeting of the Canadian Jewish Congress in Toronto the Prime Minister (Mr. Trudeau) said this:

> There is no doubt that the most important single resource in this country is not its size or its physical splendours but its human resources; the persons who live here reflect in millions of ways the face of Canada and do so more accurately and effectively than any map or statistical chart. We are, in the result, a different country from any other; we have a different outlook, different attitudes, and different values. We are this because the social evolution of Canadians has not been identical to the patterns pursued, consciously or unconsciously, by other societies elsewhere. For a number of reasons there has not developed in Canada a pressure to conform and, in my view, we are the better for it. Conformity, for all its surface attraction in terms of unity and absence of misunderstanding, is a deadly influence. It eliminates individuality, it reduces brilliance to mediocrity, it grinds down personal initiative. Worse than even any of these consequences, however, is its pattern of discrimination and exclusion of those who are non-conformists.
>
> Canada, partly through the foresight and wisdom of our forebears a century ago, partly through chance and natural selective processes, has developed on a quite different pattern. The fabric of our society is diverse and colourful. It is also, as a result, exceedingly resilient. There has been little doubt in the minds of millions of Canadians for many years that this is a multicultural society.

I want to warn that those words of the Prime Minister will not be worth the paper they are printed on if the government does the direct opposite of what he has suggested in that passage. We shall have conformity. We shall have streamlined Canadianism. Already, we are getting to the stage in our eating habits where our national dish may well become a hot dog with potato chips, washed down by a flood of Coca-cola.

The Texas drawl in music is becoming more and more pervasive. We are not hearing as many Canadian accents in our songs. It is the same in every department of our life. I hope that those people who live in French-speaking Canada realize that if they want to preserve the individuality of that part of the country-as we all do—they will not do it by increasing American dominance and influence. That will come in, as it has in the past, through industry and then by radio and television. Soon our young people will want nothing but American radio and television broadcasts because that kind of pap is so easy and it is the sort of colourful thing that attracts young people.

• (2030)

Mr. Speaker, this is a very important measure we are dealing with tonight and I feel that in this regard the government is selling Canada short. Our ancestors had no notion that one day there would be a government in

power that would betray the bright promise that brought them here. If we want to develop patterns of our own, it is still not too late. But if we keep on the road to continentalism we might as well shut-up shop and follow the Mississippi or any other of the rivers down which we can be sold. I want to see us develop along our own lines in a free and independent manner.

[*Translation*]

Mr. Henry Latulippe (Compton): I welcome the opportunity to speak tonight on Bill C-201 and particularly on the many amendments which have been brought forward, demonstrating that the bill was far from adequate and that it could not be expected to be well received in the House.

Opposition to the bill has been strong. We are now dealing with several amendments brought forward by the New Democratic Party, some of which I feel are fully justified because we know the bill will not settle the problem of foreign interests taking advantage of Canadians. Quite a lengthy volume has been written on the subject and we have long known that we are being taken advantage of, and the bill will not allow us to regain control over our economy.

It purports considering the situation of foreigners coming here to exploit our resources in order to determine their purpose in coming here and the consequences that might be involved.

To find out what the results of foreign takeovers are going to be is fine, but it would be much better to find a way to get back our economy. Why did we allow foreigners to take over our industries? The governments we chose for ourselves, whether grit or tory, were good governments and they ran our country for years; unfortunately, they let most of what we owned fall into foreign hands.

The number of our family businesses has been reduced to practically nothing. One after another, they feel into foreign hands. Small businesses of all kinds, including the leather shoe industry, have disappeared and were replaced by larger businesses under foreign control. The only capital that we should import, Mr. Speaker, is technological capital. If we lack technology, we can get it from some other country.

All we have to do is get organized and find the experts and staff we need to develop our industries, our general economy, and pay them accordingly. Well, this has not been done.

We have exported technology and finance based on our natural resources. Then, if foreigners have been able to finance our natural resources through techniques we know, I believe it is high time for the government to suggest financial remedies to regain control over our economy.

But this bill does not suggest anything valuable to give to Canadians the hope to become once again the masters of their economy.

We will continue to be exploited by foreigners because we lack capital. Why? Who gets the savings of the nation or the Canadian taxpayers?

[Mrs. MacInnis.]

• (2040)

First of all, the federal government through bonds, taxes and levies. And Canadian citizens even have to borrow in order to pay their taxes and levies and must besides pay the interest on the money they borrow to pay their taxes.

That is not a way to become owners of our industries, exploited and overexploited due to interest rates. In order to lend to industry, the Industrial Development Bank, which is the bank of citizens, exploit the latter by asking an interst rate of 12 per cent. Industry cannot become owner owing to the exploitation by the government itself through a bank created precisely to help.

Mr. Speaker, this is what we should read in that good-intentioned bill. However, since no solution is provided, we shall remain exploited, by both national and international financial groups.

They say that foreign investment in Canada will be carefully supervised. A few conditions will be set; for instance, a certain percentage of the shares will have to belong to Canadians, while another percentage will belong to foreigners. If Canadians have no capital on hand, how can they become shareholders?

At the present time, we do not have the necessary money to become shareholders in any industry, and the minister knows it. See what the Minister of Regional Economic Expansion (Mr. Marchand) had to do for industries, all of them close to bankruptcy. They are given grants with the taxpayers' money, and yet, many of them still go bankrupt, because even with government grants they cannot manufacture, produce or remain in operation. Why is that? Because the Canadian people do not have enough purchasing power to buy the production, because the goods remain unsold in the warehouses, and the warehouses are still being financed under bank formula 88, involving a 12 per cent interest rate.

In fact, a 12 per cent interest rate has to be paid to the Industrial Development Bank and to chartered banks in order to finance inventories in warehouses. And while the warehouses are bursting with goods, if the banks request payment, the industries have to sell at a loss, and then we see mass bankruptcies. Industries are unable to make ends meet because they have to sell their production at a loss.

This bill says nothing about that. It deals with control of foreign takeovers, the appointment of a commission to examine the matter. Once this has been achieved, not much more could be done. Foreigners will be told: Settle in this country just the same, since we do not have the means to finance our businesses. The manufacturer has his back to the wall when he has to reimburse the money borrowed from the Industrial Development Bank, plus interest and tax on these repayments because they are taxable. This is where nothing works anymore.

Many establishments must bo bankrupt. If not, they have to sink into debts, borrow millions and sell shares on the stock exchange. But they cannot all have recourse to the stock exchange. Only the large industries have access to it. The others cannot properly manage their undertaking; they are too heavily taxed and overtaxed; they have too much interest to pay, the cost of production is too high

and they cannot sell their products. They cannot compete with foreigners, even if the minister is moving heaven and earth to find outtlets abroad. Despite all his good will and efforts, when products are too expensive it is difficult to export them.

In the booklet I have in hand, there is absolutely nothing to let us hope for any possibility of finding ways to reduce our production cost so as to enable us to export. The cost of our production must be reduced in order to enable Canadians to buy more products because, if production is too expensive, Canadians will not have the money necessary to buy it and it will stay in warehouses, financed at 12 per cent according to form 88 used by banks.

Mr. Speaker, it is impossible, in the present system, for Canadians to become owners, shareholders of industries. Yet the bill does not offer more significant benefits enabling us to develop, to become ourselves and to develop our country from a physical point of view.

Thus we are still abler to develop it from a financial point of view, but it is precisely what we do not want to do: everything which is physically possible—as is often said—should be financially feasible. If not, it is because our economy is not well administered and balanced. Therefore, we have to use the proper techniques in order to balance once more our economy so that Canadians may some day become owners.

Mr. Speaker, do our representatives have at heart the desire to assure the respect of our ethnic characteristics? I think they don't have time to ponder over that question. Several months would be needed to arrive at solutions in order to find the means and method of organizing a logical system, adapted to reality so that we may do something in the field of economy.

The bill we are now examining has weak points and shows that as much as 80 per cent of certain industries do not belong to us, being under foreign control.

It seems to me that, as a whole, close to 75 per cent of our industries are under foreign control. This subject is dealt with in the bill, but having been aware of that for a long time we learn precious little from it. If its contents had been a little different, if it had suggested something else, we certainly could have worked out some practical answers and tell our fellow citizens: We have devised a way to allow you to become the owners of your enterprise, of your business, in order that you could lead your kind of life in your own country. But there is no mention at all of it in this bill. The only thing it proposes is the right to inquire into foreign interests wishing to develop our resources.

Mr. Speaker, since we already have so much, namely universities and very advanced technological knowledge, we should be able to do without the bigger part of foreign investments.

• (2050)

Capital is the only thing lacking but we have everything to bring such capital into play. Indeed, when foreigners come here to develop this country, they know what to do with shares. They know what is a share and they are able to issue shares; that is to create capital. If they can do that, we can do it too.

Foreigners create capital with our property, our assets and our natural ressources. That capital is really created through shares based upon something that is not tangible, on nothing, and those companies thus take over our industries.

Yet, the government could enable the Canadian people to do the same thing through a simple piece of legislation that would promote their interests in ventures of that kind. It could also provide them with explanations to show them what is a company, what shares are, how they are created, but it takes great care not to do that.

We could regain that way the control of our trade and of our economy and enable Canadians to become masters of their own destiny.

A good number of industries and firms are operated by foreigners at the present time and are very hard to take back. We will have to resort to exceptional measures if we want to do so. The bill now before us does not include any solution to that problem.

I do not intend to blame in any way the government since we are glad that it has introduced this bill. Indeed, it reminds us that we are no more masters in our house. But this legislation contains nothing about the effective means to break out of this situation. We should find these effective means and it is on this point that we are focusing our efforts in order to devise the appropriate means of insuring that a low interest financial agency and a satisfactory purchasing power are available to Canadians so that our domestic market would absorb the largest possible amount of products and that we will export the leftover instead of what best we have.

Today, we export our best products and are satisfied with leftovers while this situation should be reversed. We should consume whatever best we have and export the remainder. Charity begins at home.

It is with this objective in mind that I say that this bill can settle nothing. It is, at the most, a statement of principles. I think that to extricate ourselves from this dead end, it will be necessary to publish other white papers suggesting effective solutions. We shall have to find the appropriate means to bring about the Canadian financing of our industry in the same manner as it is now being financed by foreigners, based on the same natural resources and the same guarantees.

The reason foreigners invest here and create capital is that we put up the necessary security. In fact, we put up our natural resources, and then we are happy just to work for foreigners. Today, we realize that we are not masters in our own country any more, and we deplore it.

The way to get out of this deadlock is to say to Canadians: Considering that 80 per cent of our economy is controlled by foreigners, we must wonder why, and find ways of regaining control.

If we are unable to buy back the industries which are foreign-owned at present, new developments at least should be owned by Canadians. We should issue new credit to Canadians at minimal rates of interest in order to allow them to develop their industries and trades. Thus, they could own new developments, if not older ones.

I would still have several remarks to make, but I think it will be rather difficult for us to support this bill. We also feel certain that—

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the hon. member, but his time has expired.

[*English*]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, one of the difficulties with this bill, which is designed to take care of the social and economic wishes of the Canadian people, is that it falls within the responsibility of the Department of Industry, Trade and Commerce. I know that the Minister of Industry, Trade and Commerce (Mr. Pepin) is interested in economics; in fact, he is an expert in that field. He is also an expert in terms of his department and the language being used by modern economists in the fields of trade and finance. Therefore, he should be prepared to accept the suggestions of the previous speaker regarding this bill.

If the government decided to make loans at a very low interest rate to Canadian companies, this would probably solve the problem of American-controlled branch plants in our country. However, I do not understand this matter well enough to know whether it would accomplish what my party and the Canadian public would like to accomplish.

In introducing this bill, which is a substitute for a major screening process to eliminate the serious problem we have, the minister has come up with this minor economic solution. What bothers me is that some of the Conservatives are not speaking on the bill. In their ranks they have one of the two casualties of government attention to foreign takeover. I refer to Mr. Roman who was affected by the government's economic control of foreign takeover in the case of Denison Mines. Mr. Roman has decided to run as a Conservative candidate. I am surprised that none of his would-be colleagues are willing to point out that this bill only makes legal what happened to Mr. Roman retroactively by order in council, with limited compensation to sweeten the pie.

Therefore, I am really surprised that the Conservatives have not been speaking on this bill. Mr. Roman's economic judgment has been very successful over the years. However, either he has been badly informed or his political judgment is wrong. He is not going to find the friends he is looking for in the Conservative party.

There are only two exceptions which I can mention, Mr. Roman and Home Oil. People like Mr. Roman and all the other economic wizards in this country have been able to build up companies from nothing to a very prominent position with money they borrowed from Canadian banks in which Canadians invested their savings. Mr. Roman should be in the Liberal party. I suggest he should consider very carefully his candidacy, because obviously his friends are in the Liberal party.

It has been pointed out by members of my party that our interest in this foreign takeover bill is very widespread. We are affected in many ways other than the economic field. We believe the Canadian public is interested for other reasons. School textbooks are very important to the development of a nation. When I was a young boy I learned the story of how Laura Secord, hanging on to the tail of a cow, drove the cow home through enemy lines. That was a much better story than they are telling now about the glorious stars and stripes, how it has stood forever and how God is on the side of the American soldier no matter against whom the battle might be. In any case, these stories are the fabric which makes up a nation and which, in the end, enables people to stand up for something which they and I believe to be worth while, the Canadian fact, the fact of this nation extending from east to west and north to south.

• (2100)

We should have been most concerned when we lost our major publishing company. But no. This government did not take any stand. The government in Toronto did not take a stand. The only time they take a stand is when the economy is being hurt. Some may ask, what about the uranium industry? Mr. Speaker, they were not interested in preserving that industry for Canada.

We have allowed the manufacture of napalm, we have allowed the manufacture of materials used in germ warfare, we have allowed the manufacture of destructive chemicals to be used in Viet Nam. Everyone knows about that. So they were not interested in the possible misuse of uranium. They were interested in retaining control of uranium because a whole Canadian industry, through the CANDU atomic reactor, is based on uranium and if the Americans were to control uranium, then instead of being able to use the heavy water method of producing atomic energy, and hence electrical energy, we would be obliged to use enriched uranium and follow the methods used by other countries.

This government is interested only in economics. I do not go so far as the hon. member for Essex-Windsor (Mr. Whelan) who says all economists are crazy; I just think most of them are. Two minutes ago we listened to a very learned gentleman talking about pure economics. I believe that anyone who talks about the situation affecting a nation in terms of pure economics, in terms of profit and loss, is missing the point altogether. The fact that an operation is being run economically by a Canadian is no better, really, than its being run economically by a foreigner. In addition to economic advantages there is the national interest as a whole to be considered. I believe that the social benefit, the cultural benefit is almost as important as whether an enterprise is successful. Perhaps it is more important.

In the past, when making decisions connected with our development we have often cited economic benefit as our justification. The entrepreneurs, the capitalists hitched their wagons to the Calvanistic principle which has been adopted by Canadians for so many years that work, any work, is good. Work being good, they said, it should be paid for at the highest possible rate and so should everything else. Through this reasoning they reached the conclusion that whatever was done, if it made money it was successful. It was also godly and it was good. I suggest to you, Mr. Speaker, that the old adage in the Li'l Abner strip that what is good for General Bullmoose, or General Motors, is good for the nation is not a good concept.

I had the opportunity this week of meeting a large number of young people who were not at all interested in

the work-money-success ethic. They were not convinced it was a proper ethic to live by. They expressed the opinion that they were on earth to be their brothers' keepers and that it was not good enough for them to make a success as General Bullmoose did; it was necessary for everyone else to achieve a measure of success or they themselves were not truly successful. So I say it is not good enough in this legislation to perpetuate the myth which has grown up in this country, that the only thing which matters is money, that money is success and that this kind of success is the criterion of worth.

My party has suggested other criteria. They are not new; in fact, they derive from the first sentence of the bill before us. If we read it, we find the minister is talking there about the national good. We agree with him that this should be one of the criteria. But the minister knows, of course, that he only put that sentence in for window-dressing. It is the preamble. When we get down to the clauses which are capable of putting it into effect, we find nothing. But we shall add it to where it counts, that is, to a number of clauses. If these criteria are accepted, the minister will find considerable support among the young people of Canada and among many of us in this quarter of the House. If not, we shall be confirmed in our notion that we are dealing only with a piece of window-dressing.

We all realize that when we talk about recovering control of the Canadian economy we are bound in practice to take into consideration the state of development of the people we represent. We have to take into consideration, obviously, the present state of the economy, the fact that in the main a dozen companies control most of our wealth. At one time, the old CCF party put out a pamphlet which was widely read. It certainly made a lasting impression on me. It said that 100 people owned Canada. I suppose, the nearest one could get to knowing who, would be to look at the list of directors in this country who have 50 or more directorships in their name.

I think of companies like A.T and T in the United States which indirectly control many companies in Canada but in which, strange as it may seem, they own practically no stock. Over other companies, of course, they exercise direct control. I think of Bell Telephone whose representatives have appeared before us many times. They have drawn attention to the great number of people who own shares in Bell Telephone Company, yet it is very odd that the company should have exactly the same structure as the Bell company in the United States.

In a situation as complex as this, it is very hard to say with certainty that the 200 companies represented at Liberal party meetings are those which control the country. If members of the Liberal party believe they do, they may be fooling themselves. These are the ones who show, the ones that come to the surface. I suppose there are other companies which exercise a far greater measure of control though in a complex and devious way. For example, we have the interlocking directorship where one director tells another, both of whom represent large interests, to move A to B while he moves C to D so they both get an advantage from E.

• (2110)

That is the kind of control that is not affected economically but is affected in terms of the political or social desires of the Canadian people. We know when a company does something considered anti-social, something that is not in the interests of the people in the area or in the interests of the country itself. Today we see another company declaring it will not produce a certain commodity and for no particular reason.

If an economic calamity occurs in the United States, which is not unlikely, it seems to me that we will be heading for another financial showdown internationally. If the United States once more decides it has been unfairly treated by other countries, as it did when it imposed the surcharge, it may take further financial action and the iceberg which is mostly submerged will rise and give a great deal more exposure. It may decide that some of the industries of this country which are both economically and socially desirable in the area should be repatriated to the United States, in which case Canada would not have to decide to screen the process. Instead, we will have to decide on the political and social implications of such a situation.

As another example, if General Motors of the United States decided to close down the General Motors plant at Oshawa, which supplies cars more cheaply to the United States than the United States can produce them, and if the same move is duplicated by other companies, as apparently it is being duplicated today, then Canada will have to make a decision that has nothing to do with economics; the decision will be a political and social one.

I am not suggesting that this would be of advantage. I am sure most people in this country are not prepared to face that circumstance, no matter the control retained over Canadian industry by other countries. After all, Canadians have been provided with a high standard of living and have always been aware of the economic situation. I think of the Spruce Falls mill in Kapuskasing owned by the New York *Times*, a foreign-controlled company that has made an effort to do better than most Canadian-controlled companies. Even the minister who presented the Gray report, probably economically as reactionary as anyone in the House, indicated that there were five or six fields in which even the minimum policy of the Liberal government will have to apply. Yet we find this bill applying to one limited field only, the easiest of all to attack, namely, the field of economics; and it is being applied in a way that legalizes what the government has had to do twice previously.

If the government really wants to take a step forward in the field of foreign ownership, it will accept these amendments which indicate only that political and social implications should be part of the decisions that are taken.

The Acting Speaker (Mr. Laniel): Order, please.

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I have been following this debate since eleven o'clock this morning and once again the House of Commons finds itself in its classic stance. We have a party on one side saying that

the government is going too far, and a party on the other side saying that the government is not going far enough.

Mr. Benjamin: The other party quit early.

Mr. Howard (Okanagan Boundary): In the process of saying too much and saying too little, the democratic process is breaking down and nothing gets done. We have been here since eleven o'clock this morning debating the first of 32 amendments. Hon. members on the other side have had most of the day to make their points.

Mr. Benjamin: Where have you been all day?

Mr. Howard (Okanagan Boundary): I have been here listening to the things your party said. They were not worth listening to but I listened nevertheless, and I think now I should have an opportunity to make my remarks.

Mr. Benjamin: Then get off this nonsense about democracy.

Mr. Howard (Okanagan Boundary): As I was saying, we have been debating the first of 32 amendments today and have yet to bring a single one of them to a vote. Speaker after speaker has been talking about some very heart-warming subjects, most of which having nothing to do with the amendments let alone the bill. This is one of those occasions when opposition members talk out their own amendments. There has been the suggestion by opposition members that they have the right to do this since they claim there has not been enough time to discuss foreign ownership in Canada, or takeovers.

Mr. Benjamin: That is right.

Mr. Howard (Okanagan Boundary): I suggest that that is a complete fallacy. The subject is well known to Canadians. Now a great deal of study was given the bill by the committee, which interviewed 11 groups of witnesses from across Canada representing thousands of members. The committee held 18 separate meetings involving 33½ hours of study. Some 65 witnesses attended the meetings of the Standing Committee on Finance, Trade and Economic Affairs.

I suggest that this amounts to a very full discussion and that members of all parties have had a full opportunity to express their views. The subject matter of the amendments before the House today are almost entirely the same as those debated very fully in the committee. They have been brought back again, I do not know why. It is the right of members to do so, but I suggest that is not the way to facilitate the passage of legislation through this House.

Today we have listened to members giving the House lectures on first year university economics and quotations from Adam Smith, Hobbs and Locke. We have had debates about research and development which have nothing to do with the bill.

Mr. Fairweather: Read the bill and you will see.

Mr. Howard (Okanagan Boundary): We have had speeches about the laying of the CPR tracks across Canada, which we all hailed many generations ago as a great accomplishment. We have discussed banks financing takeovers in Canada, despite the fact that the subject was thoroughly discussed in committee, where it was pointed out that Canadian banks do not finance any significant number of foreign takeovers in this country. I think it is important to correct this sort of misinformation that is circulated through the House.

• (2120)

The president of the Canadian Bankers Association used the word "piffling" when describing the amount of money banks put up to finance foreign takeovers. Subsequently, in a letter in the press he indicated that a tally had shown that banks in Canada and other financial institutions supplied about 9 per cent of takeover money in Canada and only a small part of this was supplied by the banks. He said that much of this is temporary money used for roll-over purposes in the course of takeovers in Canada. When hon. members repeat this over and over again, as it was repeated again this evening by the hon. member for Timiskaming (Mr. Peters), making the same erroneous point, I think it is important that it be cleared up once again.

I may say I was impressed by the eloquence of the hon. member for Timiskaming. He talked so much about the social and political aspects which should be in the bill that I thought for a minute he was going to suggest we add religious convictions as a subject to the bill.

An hon. Member: That might help.

Mr. Howard (Okanagan Boundary): We have been told that the bill is a eunuch and does nothing, yet we have an NDP amendment which suggests that the bill should be made retroactive. I should like to ask hon. members what the logic of such action would be. They say the bill is no good, yet they want to make it retroactive.

An hon. Member: Don't confuse them with logic.

Mr. Fairweather: A retroactive eunuch would be very interesting.

Mr. Howard (Okanagan Boundary): An experienced eunuch or a kind of unique eunuch.

Mr. Fairweather: At least he would have his memories.

Mr. Howard (Okanagan Boundary): We have had other repetitions of erroneous ideas this afternoon. The hon. member for Assiniboia (Mr. Knight) talked about a second shoe. This matter was cleared up by the minister at committee meetings and reported. I refer hon. members to the report of the committee meeting on June 9 at which the Minister of Industry, Trade and Commerce (Mr. Pepin) said:

> There has been a bit of confusion on that subject and my friend Mr. Burton will remember that when Mr. Brewin was speaking in the House, Friday last he referred to a statement that the Prime Minister had made, to the effect that we had nothing else up our sleeve, or something of that kind. At that point, I interrupted—this is in *Hansard*—and said "With respect to screening". I am quite sure that when the Prime Minister said that we do not have anything else up our sleeve, he was referring to screening. I checked that with him and that was his interpretation.

I do not think it helps the people of Canada when they listen to reports from this House and hear members repeating over and over again the suggestion that this government or governments in the future will never do anything else about foreign takeovers or about foreign ownership in Canada, because those matters are undoubtedly the subject of continuing interest to the people of Canada and will be to governments which serve in this House of Commons.

I want to say something about the suggestion of the hon. member for Assiniboia that the government has not listened to any of the suggestions made by those who appeared before the committee or to any opposition amendments, and the government has been completely adamant on this subject. Let me remind the hon. member that the Committee for an Independent Canada suggested there should be a change in the presumption level. The Hon. Walter Gordon, who spoke as a representative of the Committee for an Independent Canada, came before the committee and made the representation, among others, that the percentage levels at which presumption of foreign ownership should be considered and screened should be raised. We had an amendment before the committee which would allow for that. I refer to the amendment to clause 3(2) which deals specifically with that point.

An hon. Member: That is another proposal which is half pregnant.

Mr. Howard (Okanagan Boundary): There were proposals from the provinces in Canada gleaned from a discussion between the Minister of National Revenue (Mr. Gray) and the provincial governments across Canada that there should be better machinery for consultation with the provinces. There was an amendment included to allow for that provision. I find it strange indeed that members of the NDP should try to prevent the government taking action in the area of direct foreign investment.

An hon. Member: Stick to the amendment.

The Acting Speaker (Mr. Laniel): Order, please. I remind the parliamentary secretary that his remarks are perhaps a little away from the amendment before us. He himself commented about other speakers not keeping to the amendment. He should try to keep his remarks relevant.

Mr. Howard (Okanagan Boundary): Mr. Speaker, in keeping to the subject of the bill, if I am to reply to hon. members who themselves did not refer to the bill or the amendment, I shall find it difficult to make comments of specific relevance. At any rate, I am very close to concluding my remarks.

I was saying that it is very strange the NDP should try to prevent government action in the area of direct foreign investment in order to bring about substantial benefits to Canada. I thought about this today as I listened to the debate, and concluded that there are only two possible reasons that party could have for adopting such a course of action. The first is that they have involved themselves so much in the airy-fairy world of political theories they must devise some kind of policy to fit those esoteric theories. The only other alternative I can think of is that this is sheer political opportunism on their part.

Some hon. Members: Shame!

Mr. Howard (Okanagan Boundary): I realize that this thought is furthest from their minds and it is a shame I should even suggest such a thing. However, the NDP has talked about many lofty objectives. These hon. members have talked about many things, but because they have talked so much they have clearly shown they want to continue to talk, but do nothing.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I have listened with interest to my colleague from British Columbia, the hon. member for Okanagan Boundary (Mr. Howard), chide the members of this party for having taken some time to consider the subject of clause 2 of the bill. At the outset of his remarks he made some rather high-sounding references to the maintenance of democracy and that sort of thing, and suggested that this subject matter had been fully discussed.

I am not quite sure what he meant when he was referring to the subject matter, but it came to my mind that if he was talking about concern for the survival of Canada as an independent economic, political, social and cultural entity, there has been quite a bit of discussion on this topic over a period of time. In fact, I was reminded that some time ago my first year essay—I think the hon. member made some reference to academic discourse—as a freshman student at the University of British Columbia, was entitled "The Americanization of Canadian life", or words to that effect.

• (2130)

It is true to say that both before and since the time I wrote that essay, this issue has been a matter of concern to many Canadian people. Unfortunately, it does not appear to have been a very great concern to most governments which have been in power in Canada since that day in my youth when I wrote the essay. I am sorry that I do not have it with me and cannot read it into the record.

If one were to put the subject matter of the hon. member's remarks into the context of the current Parliament, and remembered in so doing that he speaks as a member who supports the government of the day, who serves as parliamentary secretary to one of the ministers of the Crown in the cabinet, one would realize that it ill behooves him to talk about lengthy debate and discussion on this subject, particularly with reference to any government proposals on the matter. To put it mildly, the hon. member has a lot of gall to complain that the day has been spent on the consideration of this bill in what, probably, is the final session of this Parliament, in light of the fact that the government he supports has sat on its fanny for the last four years and has done absolutely nothing about the problem.

I do not need to remind the hon. member, surely, because he does spend some time in the House, that the members of this party have persistently during every session of this Parliament questioned the government about when they would be prepared to follow through some of the indications of action that they tried to give the

Canadian people during the last general election. We waited in vain until finally we received this poor excuse for a bill which, the hon. member suggests, represents the government taking important action on a question that many people have said in many different ways is at the very heart of Canadian confederation from its start until today.

If I, as a young Canadian student attending his first year at university, was concerned about this matter and if, as someone who has taken some interest in the affairs of his country over a period of time since then, have seen year in and year out with this government and that government in power the continued erosion of the ability of the Canadian people to control their own destiny because governments appeared to be unconcerned, then I suggest that as any member who gives any serious thought to this matter I would recognize that when we have an opportunity to debate this question it is worth spending a little time and a little thought on it before we move to passing the government's proposals.

What is the clause of the bill that we have before us, and what is the amendment that is under consideration? The proposal which has been put forward by one of my colleagues says, in effect, that Canadians should be concerned, if we are to survive as a nation worthy of the name, about something more than simply our economic environment in the narrow sense of that term. Surely no one can quarrel with that idea.

Mr. Pepin: No one does.

Mr. Barnett: In the context of this clause of the bill I would suggest that the amendment is more than appropriate. I have been reading and rereading it rather carefully in the context of the title of the bill. I am reminded of something I said in one of the committees of the House the other day. We were considering the preamble of that bill, and the preamble was a rather high-sounding declaration. As a matter of fact, it was much more verbose in its wording than this one, and perhaps less meaningful.

I think that if one analyses this clause of the bill in relation to the generally accepted practice in legislation, all the bill is, in effect, is a preamble. Apart from anything else, I for one regret that instead of enacting legislation which deals with the meat of the matter we seem to be moving to the point of putting this sort of wordy declaration of purpose in the preamble of a bill like this, rather than putting it into the text of the bill, as if it really lent some substance and weight to the thrust of the legislation.

As I read this clause, one could argue that it is hardly worth trying to amend it, because I do not think it really means very much anyway. But if we are to have this kind of wording in a bill, if we are to continue what in the committee I referred to as a Pickersgillian fad, referring to the fact that it was the so-called new transportation act produced by the former member for Bonavista-Twillingate when he was minister of transport that seemed to start the trend of putting a lot of high-sounding words at the beginning of proposed new law, then we might as well make it a reasonably all-embracing statement of purpose.

In that context we must be concerned with much more than the mere matter of the economic environment. We should make it clear that what happens to the economic environment has a direct and lasting effect on our political and social environment. How can it be otherwise? So if it is expedient to have an act, and if it is expedient to state in rather lengthy terms its purpose, then I suggest, as my colleagues are suggesting, that we should set our horizons beyond the narrow economic context of the impact of this legislation, whatever it may be.

The bill, entitled "Foreign Takeovers Review Act" as well as the clauses set some terms and conditions under which the government will have the authority to make certain reviews. The pros and cons of those proposals can be debated under other report stage amendments when we come to them. But in the context of clause 2 of the bill I suggest that the House cannot do less than indicate that the purpose of the legislation goes beyond a mere economic review of the consequences of foreign ownership and of takeovers in Canada. In certain special pieces of legislation we have recognized that if we are to preserve ourselves as a nation worthy of the name, broader aspects than purely economic ones are involved.

• (2140)

I cannot understand the reluctance of the minister and of his supporters to agree to a rather simple, straightforward proposition that economics alone is not of sufficient concern, is not a sufficiently broad yardstick by which to assess the impact of takeovers. One might almost become biblical about this and remind hon. members of the saying about man not living by bread alone. It seems to me that particular reference is well taken in the context of what is proposed in this clause of the bill.

The whole ambit of subject matter that comes before Parliament from time to time becomes increasingly meaningless and our very existence as a Parliament becomes increasingly meaningless if we are prepared to allow the ever increasing erosion of our economic, social and political fabric by the process that has been going on, certainly at an accelerated rate since I first became a member of this House.

I used to think that the government headed by former prime minister St. Laurent was rather heedless of the consequences of what was happening in our economy. But when I contrast the attitudes that were taken by leading members of that government with those taken by members of the present government, from the Prime Minister (Mr. Trudeau) down, I feel that in that particular period we were led by a government that was prepared staunchly to defend, protect and enhance the rights of Canadians to control their own affairs.

I recall with some nostalgia the kind of statements I used to listen to, made by Right Hon. C. D. Howe, when he talked about the dangers to Canada if we allowed the export of power, and some of the speeches he made when discussing the necessity of ensuring an all-Canadian itinerary for the transport of gas. Even though those of us in this party quarrelled vigorously with him on the method he sought to employ to bring about that objective, nevertheless on the objective itself we had a great deal of common ground.

When I contrast the attitudes that were expressed then by those who were supposed to be the leading defenders of Canada and Canada's rights, and think of the insipid,

waffling, almost hysterical yielding to the process that is going on and is characterized by the present government, then so far as Canadian governments are concerned I feel we have been going downhill at a rather rapid pace. Indeed, in that context I would say that the Liberal party of 1953 to 1957 was much more worthy of the name Liberal than its counterpart today, even though I may have been pretty critical at the time of some of the things that government did.

They say that all things in life are a matter of contrast and comparison. I do not mind admitting that I have been around here long enough to have some perspective on the attitudes and viewpoints expressed by cabinet ministers in the discharge of their governmental responsibilities. More is the pity that in this day and age, when the dangers to the future of Canada are more glaringly apparent, we find ourselves with a government which after all these years of moaning and groaning has brought forth, for the consideration of Parliament, nothing better than this bill.

I would suggest to the hon. member for Okanagan Boundary and his colleagues that he accept, with a little better grace than was apparent in his speech tonight, the fact that at least some of us are prepared to stand up and be counted on the issue of really doing something effective to protect the integrity and the future of our Canadian way of life. For a brief period I was domiciled outside Canada. I was a landed immigrant in another country. But as a young man I made the choice that I wanted to come back to the Canada where I was born, because I felt there was something valuable and worth while in being Canadian, that ours was a society which in some respects was different and unique, where I could feel at home, and I wanted to play my part in preserving and enhancing it.

This is a responsibility that any member of the House should take even more seriously than does the Canadian who has no responsibilities beyond those of an ordinary private citizen. This is the place where we should be in the forefront of building a future for Canada. This is the place where some of us hoped—the present Parliament—real steps would be taken to enhance and protect the future of Canada. So far, Mr. Speaker, we have hoped in vain. So far we have been faced with a weak and insipid piece of legislation. If one reads this particular clause as it stands, it does nothing more than hold out false hopes for the Canadian people for something that has no substance and reality. I would suggest the least that could be done in the context of this clause would be to accept the attempt made by my colleagues to strengthen and broaden its intended purpose.

The Acting Speaker (Mr. Boulanger): Order. I regret to interrupt the hon. member, but his time has expired.

Mr. Robert P. Kaplan (Don Valley): Mr. Speaker, rising so late in the evening, when there may be a vote, presents quite a dilemma because I would like to say one or two things about the progress of this debate. But I also hope there will be a vote tonight and because of that hope I will try to confine my remarks to less than two minutes.

I think it is quite unfair to accuse the opposition of obstructionism in the debate on this bill. For example, in the committee where this bill was discussed there was a tremendous amount of co-operation. In fact, if there had not been co-operation the bill would not be back in the House today. Those of us who want this bill should be grateful for the co-operation we received. Talking about the progress of this debate today, again I do not think there has been obstruction. But we come to the other question of whether there has been the kind of co-operation that is required to get the bill through the House in the time that all of us see is available.

• (2150)

I am rising to urge all members to show the kind of co-operation that was evident when the bill proceeded through committee. There has been a lot of debate to the effect that foreign ownership is a big question; foreign takeovers are a big question. But as I see it, the question is whether we are going to debate it or do something about it.

An hon. Member: There is nothing in the bill to do anything about.

Mr. Kaplan: We have a chance to do something about it and I hope that all members who are in favour of the foreign ownership policy will see this bill as a step in that direction. For a moment I should like to dwell on an argument raised by the Committee for an Independent Canada when it appeared before our committee. I hope that none of the presentation of that committee on this particular aspect has been adopted by any hon. member opposite. They took the position that this bill, which moved in the right direction, moved so little that it was their duty to obstruct it, to prevent the country from deriving some little benefit so that there would be damage to Canada in terms of more takeovers or foreign ownership so that the government would have—

The Acting Speaker (Mr. Boulanger): Order, please. Is the hon. member rising on a point of order?

Mr. MacInnis: Mr. Speaker, I rise on a point of order. The hon. member has referred to obstruction from members on this side of the House, the opposition and the particular stand they may or may not have taken on the Canada-First Committee. My point of order arises from the action taken in the committee on Finance, Trade and Economic Affairs when the chairman, the hon. member who just sat down, saw fit to take upon himself the authority to rule on his own questions and in this way stop the action of any other committee member. Any chairman who takes over a committee and refuses to accept a point of order, and as chairman rules on his own decisions, does not make it a worth-while committee.

Mr. Kaplan: Mr. Speaker, I think it is a kind of anarchist point of view to say that we bring about big progress by preventing little progress. I want to conclude by saying that I hope that is not the spirit in which members of the opposition approach this bill, and that they will see this as little progress which is worth making and progress which they should support.

The Acting Speaker (Mr. Boulanger): Is the House ready for the question on motions Nos. 1, 2, 3, 21 and 28?

Some hon. Members: Question.

The Acting Speaker (Mr. Boulanger): All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Boulanger): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Boulanger): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Boulanger): Pursuant to section 11 of Standing Order 75, the recorded division on the proposed motions stands deferred.

Motion No. 4, moved by Mr. Fairweather and seconded by Mr. Hales, is as follows:

That Bill C-201, an act to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons, be amended by deleting lines 24 to 27 on page 2 thereof and substituting therefor the following:

"dustries in Canada;

(e) the compatibility of the acquisition with national industrial and economic policies; and

(f) after consultation by the minister with each province that is likely to be significantly affected by an assessment made by him pursuant to section 6, the effect of the acquisition on the industrial and economic policies of each such province.

Motion No. 18, moved by Mr. Saltsman and seconded by Mr. Knowles, is as follows:

That Bill C-201, an act to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons, be amended by renumbering present clause 6 as clause "6(1)" and adding the following immediately thereafter:

"(2) In conducting a review the minister shall consult with the appointed representative of the province or provinces concerned with the proposed acquisition."

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, surely obstruction cannot be charged, with only three minutes to go! The purpose of my amendment is to add another factor to the series of tests that the minister must apply in judging whether a proposed takeover is of significant benefit to Canada. I hope that members will quickly see the point of the suggestion which I make. The provincial realities, and I think it is right to say provincial priorities, will be a significant aspect. It is difficult when the minister uses the word "factor", because now that word will take on a very special meaning of jurisprudence, so I shall have to stop using it and start using the word "aspect" for the purpose of making a general comment.

My amendment recognizes the fact of provincial realities and priorities. I sincerely believe that it improves the bill and I have the temerity to hope that the government will accept it. I do not have any pride of ownership, and if the minister wants to make it his own, or the parliamentary secretary or the hon. member for Don Valley (Mr. Kaplan), I will bow out and make way for them.

With great good sense, an editorial in the Halifax *Chronicle-Herald* of June 26 reads:

[The Acting Speaker (Mr. Boulanger).]

Provinces have rights too:

The federal government should think twice about its decision that it cannot accommodate requests by provincial governments for more formal consultation when Ottawa is deciding whether to approve foreign takeovers.

The flat rejection of provincial participation in the decision-making process, spelled out in the commons by industry minister Jean-Luc Pepin, discriminates against the rights of the provinces and affords them precious little protection against further discrimination in the manner in which federal authority may be influenced.

Where, for instance, does unilateral approval by the federal government leave a province such as Nova Scotia in respect of a foreign takeover of a company in this province which the government of Nova Scotia considers not to be in best interests of its people?

That is why I am delighted that the minister sees the point and will add my amendment to his list of "factors".

PROCEEDINGS ON ADJOURNMENT MOTION

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

PUBLIC SERVICE—REQUEST FOR CONSIDERATION OF PETITION OF HERMAN WEISZ ALLEGING INJUSTICE

Mr. Andrew Brewin (Greenwood): Mr. Speaker, on June 6, I presented in this House, in accordance with Standing Order 67, a petition by one Dr. Herman Weisz of Ottawa which sets out a grievance in respect of a report entitled "Concentration in the manufacturing industries of Canada". On June 7 the Clerk of the House laid upon the table the report of the Clerk of Petitions which was that this petition met the requirements of the Standing Orders as to form. On the same day the Speaker gave a ruling that the petition was not an appropriate manner in which to bring the matter to the attention of the House. This ruling said, in effect, that petitions to the House have become obsolete.

I regret this ruling in light of the long-standing right of citizens to present petitions to this House, and I hope that the appropriate committee of the House will investigate ways and means of reviewing this ancient and healthy institution so that the petitions of citizens, proper in form, may be referred by the consent of the House to appropriate committees for investigation and remedy. The Speaker did suggest that other remedies existed for those who had grievances against the administration. I now avail myself of one of these remedies.

On June 7, I questioned the Prime Minister (Mr. Trudeau) on the matter, seeking a statement from him or from the Minister of Consumer and Corporate Affairs (Mr. Andras) in regard to the serious injustice alleged by Dr. Herman Weisz. No such statement has been forthcoming.

• (2200)

The grievance, Mr. Speaker, can be briefly and simply stated. It is that Dr. Herman Weisz, a Canadian citizen and a public servant, spent nearly two years, from February,

1967, to December, 1968, in charge of a study conducted by the research branch of the office of the Director of Investigation and Research; that he contributed original concepts to the work; that when the study was virtually completed in December, 1968, he was taken off the work and the final completion of it was assigned to another; and that when, after various delays, the report entitled "Concentration in the manufacturing industries of Canada" was transmitted to the minister for publication, it was stated in the letter of transmittal which was the foreword to the published report that the report was prepared by Mr. R. S. Khemani under the direction of Mr. J. William Morrow, neither of whom had made more than a minor contribution to the report.

The preface to the report is therefore wrong. It is, clearly, contrary to the facts. It failed to give credit to Dr. Weisz for his part in it and involved, in effect, the appropriation of the original work of Dr. Weisz. It is, therefore, damaging to his reputation and to any public recognition and, under the merit system of the public service, this constitutes a grave injustice to him.

I ask the minister or his representative to give an explanation of this injustice in the public administration and to tell the House what will be done to remedy it. I believe that one of the valuable contributions of this House is calling public attention to injustice in the public service, injustice to which those responsible in the government have turned a blind eye.

Mr. D. R. Tolmie (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, the report with which we are dealing is entitled "Concentration in the manufacturing industries of Canada." It was published under the authority of the former minister of Consumer and Corporate Affairs, now Minister of State for Urban Affairs (Mr. Basford).

In submitting the report to the minister, D. H. W. Henry, the combines director, wrote the following letter of transmittal:

Ottawa, March 31, 1971.

The Honourable Ron Basford, P.C., M.P.,

Minister of Consumer and Corporate Affairs,

Ottawa.

Sir:

I have the honour to transmit to you the text of a report entitled: "Concentration in the manufacturing industries of Canada".

Special tabulations essential to the study were prepared by the manufacturing and primary industries division, Dominion Bureau of Statistics, Ottawa, whose assistance is gratefully acknowledged. Professor Gideon Rosenbluth of the University of British Columbia made helpful comments upon a draft outline of the report.

The report was prepared in the research branch by Mr. R. S. Khemani—

Mr. Brewin: That is not true.

Mr. Tolmie:

—under the direction of Mr. J. William Morrow—

Mr. Brewin: That is not true.

Mr. Tolmie:

—and with the assistance of other members of the staff.

Yours very truly,

D.H.W. Henry
Director of Investigation and Research,
Combines Investigation Act

Mr. Brewin: It was a false report.

Mr. Tolmie: In essence, it was stated that the report was prepared in the research branch by Mr. Khemani under Mr. Morrow's direction and with the assistance of other members of the research branch staff. Mr. Weisz was not singled out for special mention.

A petition under Standing Order 70 from Mr. Weisz was presented to the House on June 6 last and Mr. Speaker ruled that the House should not deal with the matter since there were other and more effective ways in which this could be done.

The situation is that the supervisors of Mr. Weisz and, in particular, the combines director, Mr. Henry, did not consider that the contribution which Mr. Weisz made to the report warranted his being singled out for special mention in the letter of transmittal.

The Acting Speaker (Mr. Boulanger): Order, please. The hon. member for St. John's West (Mr. Carter.)

REGIONAL ECONOMIC EXPANSION—ARGENTIA TASK FORCE—INQUIRY AS TO REPORT

Mr. Walter C. Carter (St. John's West): Mr. Speaker, on February 13, 1970, the United States government announced its intention to curtail operations at its naval station in Argentia, Newfoundland. Immediately following the United States government's announcement, the Minister of Transport (Mr. Jamieson) issued a statement on behalf of the federal government at which time he pledged the efforts of all federal government departments to determine what possible use could be made of any available station buildings, as well as to find solutions to the serious social and economic problems that would result from the base phase-down. Following subsequent meetings between the Minister of Transport and representatives of the Placentia area, a Canada-United States committee was formed. It was later designated as the Argentia task force. This task force was headed by an official of the Department of Regional Economic Expansion here in Ottawa, Mr. Garnet Page.

At the outset, Mr. Speaker, I would like to pay tribute to members of the local development associations in the area, in particular the members of the Placentia area development association under the chairmanship of Mr. John Whalen. Mr. Whalen and his local committee, together with the mayors and members of the town councils in the area, have worked with a dedication that is without parallel and, I might add, without remuneration. Indeed, credit for what has taken place in the area in the past two years must go to these people.

With respect to the official committee appointed by the federal government, namely, the Argentia task force, it

has been a miserable flop—mere window-dressing for the ineptitude of the federal government and the former Liberal government of Newfoundland. Indeed, Mr. Speaker, the last meeting of the so-called Argentia task force was in June, 1971, more than a year ago. The last report submitted by the chairman of the task force was on April 28, 1971, and but for the fact that Mr. Page was summoned to appear as a witness before the Standing Committee on Regional Development on that date, April 28, 1971, I am confident that no report would have been submitted at that time.

I have no doubt that the minister in his reply tonight will paint a very glowing picture of the task force and the vast improvements that have come about as a result of its performance over the past two years. He will tell the House of the number of jobs that have been created in Castle Hill historic park, the vocational training school, the tourist chalet and the upgrading of the road to Long Harbour. But the truth of the matter is, Mr. Speaker, that less than a dozen full-time jobs have been created by the federal government or through the efforts of their task force.

The federal government's reaction to the very serious problems that exist in the area as a result of the naval station phase-down is another blatant example of the government's band-aid policy, a temporary cure for the very serious social and economic problems that are prevalent in the Placentia area. It is a little ironic, Mr. Speaker, that despite the promise that was contained in the Minister of Transport's statement back in 1970 with respect to the abandoned facilities at the United States naval station, with one exception they still remain vacant. No new industries have established in the area and no real effort has been made by the Argentia task force or the federal government to offer any worth-while incentives to companies who have expressed an interest in the area.

The overcrowding of classrooms in the area continues to become more acute despite the commitment made by the task force chairman at its last meeting that he would address himself to that problem and would leave no stone unturned to find a solution. Indeed, Mr. Speaker, as a result of the federal-provincial resettlement program in Newfoundland, which encouraged more than 200 families to relocate in the Placentia area, an impossible burden has been placed on existing school facilities, a burden which is beyond the capacity of the school board to overcome and, I might add, has been a serious detriment to the other areas within the jurisdiction of the school board where adequate classroom and other facilities are lacking.

The time has come for action. Unless the Argentia task force and its chairman are willing and able to tackle the many and varied problems in the area, it should be abolished and replaced with a more aggressive body. The unemployed men and women in the Placentia area can ill afford the luxury of a high-sounding federal task force that lacks a full time director and secretariat, which meets less than once a year, which has a chairman who has not visited the area for over a year and who has not submitted a report in 16 months.

[Mr. Carter.]

• (2210)

We want action. We want it immediately. We want to know what the government's policy is with respect to DREE grants to companies which express an interest in setting up operations in one of the United States government's abandoned buildings. We want a full-fledged development corporation established which would take as its prime objective that of negotiating with the United States government, through the Department of External Affairs, a satisfactory arrangement with respect to the future use of the buildings on the base abandoned by the United States. It is inconceivable that no real effort has been made by the Argentia task force or the federal government to negotiate with the United States government a more satisfactory arrangement with respect to these facilities.

I understand that at the present time occupancy of these buildings, which in most cases are ideally suited for private enterprise, is on a tenure of anywhere from one year to 30 days. We want the federal government to designate the entire Placentia area as a special area under DREE. We want assistance from the federal government to help overcome the very serious overcrowding in our schools. We want the federal government, under DREE, to concern itself with the need for improved municipal infrastructure in the area, thereby creating a healthier climate in which to encourage the private sector to establish.

To sum up, Mr. Speaker, we want the federal government to accept its responsibility to the people of the Placentia area who continue to suffer the misery of unemployment and of not knowing what the future holds for them or if, indeed, they have a future.

Mr. D. R. Tolmie (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, the chairman of the task force has prepared a number of reports and these have been transmitted to the minister. With the concurrence of the provincial government, a last meeting of the Argentia task force has been scheduled for July 6. After this meeting a final report on the results of the work of the task force will be prepared. The minister will be pleased to table this report when it becomes available.

SCIENCE AND TECHNOLOGY—WHITE LAKE DOMINION RADIO ASTROPHYSICAL OBSERVATORY

Mr. Randolph Harding (Kootenay West): Mr. Speaker, this afternoon I asked the President of the Treasury Board (Mr. Drury) what steps the department was taking to protect the valuable scientific work being done by the Dominion Radio Astrophysical Observatory at Penticton. Mr. Speaker suggested that the matter be raised at this time, and I welcome the opportunity to expand on this important scientific project.

On June 14 I moved a motion in the House that the question of the observatory and the severe damage which would result to its outstanding research facilities in the event of encroachment on its land by subdivisions be referred to the appropriate standing committee for study and report. Unfortunately, the motion did not receive the necessary unanimous agreement.

A brief background description of the project should come first. This radio astrophysical observatory is about a 20-minute drive south from Penticton. It is situated on a quiet site which was chosen after a great deal of searching, because it was about as far south in Canada as it could be located. It is near a settled area, one of the few in all Canada which is perfectly suitable for this type of scientific work. It is free from almost all types of electrical interference, and this is an absolute necessity having regard to the type of scientific research being undertaken. The site is acknowledged as one of the best in the world for radio astrophysical observations. Canadians have an investment in it of close to $3 million, although it would be worth much more in terms of today's values. The annual staff payroll is close to $200,000.

The research work has been recognized and commended by leading researchers in many countries. In May of 1971 it received the following commendation from the National Committee for Canada of the International Astronomical Union:

> Those members of the committee who are not engaged in long baseline work wish to extend their heartiest congratulations to the long baseline team of Messrs. Broters, Chisholm, Galt, Gush, Legg, Locke, McLeish, Richards and you on their award last month of the Rumford medal of the American Academy of Arts and Sciences. Such high recognition of Canadian research in astronomy brings honour to the nation and underlines the success of co-operation among institutions for astronomical projects.

The future of this site and its research potential is in serious danger from possible land development projects in the area. To date the federal government has done nothing to protect the observatory from this danger. I understand that any electrical appliances in the area would ruin the work being done, and appliances in the area would ruin the work being done, and appliances do come to the area when homes are built.

There are several solutions. At present the Okanagan-Simikameen regional district has rejected one proposed development. Other developments are pending. It has, however, warned the federal government by resolution that it will not be put in the position in coming years of defending the observatory. The federal government could buy up sufficient property to protect this project, but this has been rejected by the minister.

I feel that the federal government should approach the provincial government with a view to having the area set aside as a game preserve or for park purposes. Perhaps even some other solution can be worked out. In any event, there is immediate and pressing need for federal government action and I urge the minister to look into the matter again without delay. We can have both an outstanding research facility and a recreational area. Both could be a credit to the district, to the province and to the nation. I trust we can agree upon an early and favourable solution to protect this valuable scientific installation.

Mr. Gaston Clermont (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, the site of the Dominion Radio Astrophysical Observatory near Penticton, British Columbia, was chosen about 15 years ago for its freedom from man-made radio interference, a requirement for the detection and study of the extremely weak radio signals from astronomical objects. Considerable land was acquired at that time and the government of British Columbia, by order in council, placed a map reserve on all Crown land within a much larger buffer zone surrounding the site. Because of the nature of the countryside it was believed then that these actions would ensure the usefulness of the site for a very long time. In particular, it was not envisaged that large-scale housing developments would ever be built in the region. The government of Canada was, therefore, concerned when it learned that two such developments were being proposed on privately held land within the buffer zone.

The President of the Treasury Board (Mr. Drury) has made known the government's position on this matter. On several occasions he has expressed the view that the purchase, or the expropriation now of an area large enough to protect the observatory is not a proper solution to this problem. I understand the hon. member for Okanagan Boundary (Mr. Howard) has made numerous representations on this question. In a letter of April 27, 1972, to Mr. Bruce Howard, Member of Parliament for Okanagan Boundary, in response to his representation on behalf of the community in question, the President of the Treasury Board said:

> I do not think the federal government should be expected to expend substantial sums to protect the investment in its observatory if its purposes can be achieved more economically elsewhere.
>
> If the community collectively or the provincial government, as the case may be, concludes that it could develop more satisfactorily by continued housing development which would drive out the observatory rather than limiting development and permitting the continued operation of the observatory, this choice, in my view, should be a local one and not one for the federal government to try and make.
>
> I would expect the representatives of the community to take whatever action is considered to be in the best interest of the community at large.

Motion agreed to and the House adjourned at 10.24 p.m.

HOUSE OF COMMONS

Tuesday, June 27, 1972

The House met at 11 a.m.

GOVERNMENT ORDERS

FAMILY INCOME SECURITY PLAN

MEASURE TO PROVIDE BENEFITS IN RESPECT OF CHILDREN

The House proceeded to the consideration of Bill C-170, to provide for the payment of benefits in respect of children, as reported (with an amendment) from the Standing Committee on Health, Welfare and Social Affairs.

Mr. Speaker: Before calling motion No. 1 as it appears on the order paper the Chair might refer to the procedural aspects of the motions. After examining the motions proposed by hon. members I would like to suggest that motions Nos. 1, 2, 3 and 4 appear to be acceptable on procedural grounds, unless hon. members want to suggest that for one reason or another they are not.

Motions Nos. 5 and 7 appear to present some difficulty. I think that the hon. member who has moved them might agree that they have financial implications. However, it might be said that motion No. 5 to some extent covers the same ground as motion No. 6 which is sponsored by the minister, and of course motion No. 6 is covered by a recommendation. In these circumstances it may be that the hon. member for Humber-St. George's-St. Barbe would feel that the purpose which he seeks to achieve through his motion No. 5 would be realized under the terms of motion No. 6. But I would suggest, subject to any arguments that might be submitted by hon. members, that motions Nos. 5 and 7, because they have financial implications, could not be moved.

Motions Nos. 8 and 9 appear to be acceptable from a procedural point of view.

I might also add that it might be difficult to have any of these motions considered together. In the circumstances, because there is no clear link between any of these motions except perhaps Nos. 5 and 6, I would think we might proceed with them one at a time, with the Chair putting motion No. 1 so as to launch the debate on the motions. I would be pleased to hear the advice and obtain the guidance of hon. members on these several points.

Mr. Baldwin: Mr. Speaker, do I understand you to say that we can reserve the right to make some comments on what Your Honour has said? It may be, now that the minister has accepted the proposal put forward by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), that it would not be necessary to proceed with the hon. member's motion. Depending on the progress that the government makes, and how it jumps around from bill to bill, we might argue the point with respect to his other motion later this week or next week.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we see nothing wrong with your suggestions.

Mr. Speaker: In other words, my understanding is that the hon. member for Peace River has suggested that my interpretation of motions Nos. 5 and 6 is correct, that they are essentially the same motion, and that if the House debates, considers and votes on motion No. 6 this would be deemed to cover motion No. 5. The only motion which would remain to be considered from a procedural standpoint would be motion No. 7, which we might consider from that standpoint when it is reached.

Mr. Jack Marshall (Humber-St. George's-St. Barbe) moved:

That Bill C-170, An Act to provide for the payment of benefits in respect of children, be amended by deleting the definition of "parent" in subclause 2(1), lines 16 to 18 on page 2, and substituting the following:

> ""parent" in relation to a child means an individual who has, in fact, the custody and control of the child and, where a family relationship exists, means for the purpose of paragraph 5(1)(*a*) the female parent except in any case where the female parent may be considered disqualified by reason of infirmity, ill health, improvidence or other reasonable cause or in any case where other special circumstances or reasonable cause of any kind may so require."

• (1110)

He said: Mr. Speaker, as there seems to be some evidence of a willingness to co-operate I will be very brief in my explanation. The bill provides that the benefits may be paid to the father or mother in the discretion of the government. The amendment would provide for the benefit to be payable to the mother, as is now the case under the Family Allowances Act and the Youth Allowances Act, and that the government would only have discretion to pay the benefit to someone other than the mother when there were good and sufficient reasons so to do as stipulated in the amendment.

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, we are certainly not arguing about the acceptability of this motion. I do point out to the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), however, that I believe it presents more problems than it solves. Under the present family allowances policy we prescribe under the regulations that, where a child is in the custody of both parents in a normal setting, payment will be made to the mother. This would be continued under the present legislation and the House has the assurance that, as has been the case for years under family allowances, the regulations would continue to provide for this.

I take it that in putting this motion the hon. member is endeavouring to obtain some assurance that in fact the mother will receive payment. For the reasons I have stated, I do not believe this is necessary. I also think it raises some difficulty because as I understand the hon. member's motion the payment would be made to "the female parent except in any case where the female parent may be considered disqualified by reason of infirmity, ill health, improvidence or other reasonable cause or in any case where other special circumstances or reasonable cause of any kind may so require."

This is a very subjective kind of criteria. It is difficult to determine when a mother would be disqualified in such circumstances. For instance, the word "improvident" could cover a very wide area, depending on the attitude of the person who made the decision. We prefer the present wording because of the basic underlying assurance that the regulations will provide for payment to the mother. Of course, in circumstances where the child may not be with the natural parents but is with relatives, adoptive parents or somebody else who is responsible for the care and custody of the child, then the payment can be made to that particular person. The present wording permits a degree of flexibility.

I hope the hon. member will reconsider his motion in view of what I have said and in view of the high degree of flexibility required in order to permit the plan's administration to substitute for the mother, even for a temporary period, the person who has the actual care and custody of the child. For these reasons, I feel that this motion is not necessary and creates difficulty which I am sure the hon. member would not find desirable.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, when this point was raised in the Standing Committee on Health, Welfare and Social Affairs one of the responses that we were given was that the wording of the act was neutral. The question was put to us whether it would not be better to be neutral than to discriminate in favour of a person of either sex. To underline what I mean, the phrase in the bill before us reads as follows:

"parent" in relation to a child means an individual who has, in fact, the custody and control of the child.

That, I submit, Sir, is a very plausible argument in this day of equality between the sexes. We were also assured in the committee, as we have been assured now, that the normal practice will be for the cheque to be made out to the mother. Not only were we given the assurance that this would be done but we were told that as with respect to the present Family Allowances Act it would be covered by regulation. We all know that regulations passed under statutes are just as much law as the statutes themselves. Therefore, at some point it is going to become part of the law that the normal course will be for FISP cheques to be made out to the mother. I therefore support the contention of the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall). This same point was made in committee by my colleague, the hon. member for Vancouver-Kingsway (Mrs. MacInnis), that the act itself is the place where it should be said that the cheque should normally go to the mother.

I appreciate the point that the Minister of National Health and Welfare (Mr. Munro) made about the subjective judgments that might have to be made because of the wording of the amendment proposed by the hon. member for Humber-St. George's-St. Barbe. I suggest that the answer to that would be to propose an amendment to the motion and I suggest that the minister propose it. He has a staff with him this morning and they could draft it fairly quickly. All that is needed is a very simple statement that the cheque will normally go to the female parent, perhaps with a proviso that, where special circumstances or reasonable cause of any kind require another course to be taken, that other course will be followed.

There is no point in my trying to move the amendment and getting us locked into procedural difficulties. This kind of thing gets through only if the minister is prepared to accept it. I would hope he would consider it. Instead of just asking the hon. member who moved the motion to withdraw it, I would hope he would propose an alternative wording, perhaps the very wording that is already in mind for the regulations. All the hon. member is asking, and we support him, is that the provision that these cheques should normally go to the mother be in the act itself rather than just in the regulations.

Mr. Speaker: Is the House ready for the question? The hon. member for Simcoe North.

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to ask the Minister of National Health and Welfare (Mr. Munro) a question. He says that payment might go to relatives or to someone else—

Mr. Speaker: Order, please. The hon. member will appreciate that we are not in committee. Perhaps the House might allow the hon. member to ask the question of the minister and assume that the minister still has the floor. I think all hon. members have to be reminded that we are not in committee. The minister can speak only once but we might assume that the minister still has the floor. The hon. member might ask the question and the minister might reply, but certainly there has to be order and we have to follow the rules to some extent.

• (1120)

Mr. Rynard: Mr. Speaker, I am concerned about how these allowances would be paid in cases where both parents are either gone or disabled and unable to look after the child and the child is in the care of an uncle, aunt, or other relative. Why was the public trustee not specifically mentioned in this bill as one who might look after such a child?

Mr. Speaker: Order, please. The minister will be recognized with the consent of the House. Hon. members should bear in mind that we are not in committee. Hon. members ought to ask these questions before the minister finishes, because he cannot speak a second time.

Mr. Munro: Mr. Speaker, I see the hon. member's point but I would wish to check into it further. I believe the situation is as I explained it. Under the present wording of the bill there is, in certain circumstances, a good deal of flexibility with respect to the care and control of the child, if that care and control is in the hands of a relative or some other person. In other words, if a relative or some

other person has the care and control of that child, we can substitute that particular person for the other and make the cheques payable to that person.

The hon. member asked about the public trustee. It may well be that if there is an order of a court placing the care and control of the child in the hands of the public trustee, which I do not think is usual, the regulations would empower us to make payments to the public trustee. This is one of the reasons why I am arguing fairly strongly for the present wording and for the power to enable us to do this by regulation. In light of all the variations in circumstances that are possible, I submit that if we were to insert such provisions in the legislation there would be an inevitable tendency for a high degree of rigidity to result which otherwise would be unnecessary and which could cause hardship in some cases.

Mr. G. W. Baldwin (Peace River): Very briefly, Mr. Speaker, in my comments I should like to return to an old argument I have raised in the House time after time. I accept the minister's view that a large degree of flexibility in the regulations is needed. However, I think the government has been lax in not taking the action it ought to have taken to establish the scrutiny committee under the Statutory Instruments Act. That committee could have dealt with this issue.

I agree that the power to act by regulation and by Order in Council is a very essential and flexible power which in most circumstances ought to be granted. However, the granting of such powers to this government ought to be approached with grave caution in view of the government's failure to do what it said it would do. The former Minister of Justice over and over again said that he would establish the committee to which I have referred and make it work. The committee is there, of course, but it is not working. It has not been called together. I do not blame the Minister of National Health and Welfare (Mr. Munro) for this. I understand his position, but I urge him to use his influence with his colleagues to see that this committee comes to life and operates. If the minister were to do that, the argument he has presented in favour of such regulations would be far more acceptable than it is at present.

Mr. Speaker: Order, please. Is the House ready for the question?

Some hon. Members: Question.

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

Motion No. 1 (Mr. Marshall) negatived.

Mr. Speaker: The next motion is No. 2, standing in the name of the Minister of National Health and Welfare.

Hon. John C. Munro (Minister of National Health and Welfare) moved:

That Bill C-170, an act to provide for the payment of benefits in respect of children, be amended by striking out lines 7 to 10 on page 3 and substituting the following:

(i) by a department or agency of the government of Canada or of a province that, by order of any court or by the consent of the parents of that person, has the custody and control of that person, or

Motion No. 2 (Mr. Munro) agreed to.

Mr. Speaker: The next motion is No. 3, standing in the name of the hon. member for Humber-St. George's-St. Barbe.

Mr. Jack Marshall (Humber-St. George's-St. Barbe) moved:

That Bill C-170, an act to provide for the payment of benefits in respect of children, be amended by deleting subclause 3(4), lines 1 to 4 on page 4.

He said: Mr. Speaker, the purpose of this amendment is to ensure that the statute comes into effect as soon as possible and, in conjunction with proposed amendment No. 5, that benefits may be paid back to May 1, 1972. The provision that this amendment proposes to repeal can delay the coming into effect of the act until the government, in its discretion, ceases to pay the present type of family allowance.

The government proposal for a new family income security plan was first made at the beginning of December, 1970, in the white paper on income security for Canadians. Public criticism of several aspects of the bill led to an announcement of changes the following June. On September 3, 1971, Bill C-264 on FISP was tabled in the House of Commons with a promise that the first payments under the new plan would be made in May, 1972. Bill C-264, as we know, died on the order paper.

Bill C-170, a slightly modified version of its predecessor, Bill C-264, was given first reading in the House of Commons on March 15, 1972. This time, no commitment was made for implementation of the plan. During the committee proceedings after second reading of the bill the Minister of National Health and Welfare (Mr. Munro) first of all estimated, on May 24, 1972, a lapse of six or seven months before the beginning of the new FISP payments. This would mean implementation of the bill during the October-December 1972 period, assuming the bill was passed in June, 1972. However, by June 1, 1972, the picture had changed. The deputy minister testified before the committee and said, as reported at page 12:5 of the proceedings of the Standing Committee on Health, Welfare and Social Affairs:

. . . since the previous bill was introduced and presented, we have carried out a number of further studies with a number of task forces on the administrative problems and we found that it will take longer than we had originally anticipated.

Actually, the deputy minister reported that the previous estimate of six or seven months had been doubled and that the new FISP cheques would not be out until the summer of 1973, if Bill C-170 were passed by the end of June. The four reasons he gave for the additional delay were, first, the need for eight months of computer time; second, the desire to co-ordinate the filling out of FISP application forms with income tax forms; third, the uncertainty with regard to possible provincial options; and fourth, the preference to have the peak FISP administrative load after the peak load for OAS and GIS has diminished and so to transfer trained staff from the OAS and GIS part to the FISP part of the operation.

None of these arguments offer very convincing reasons for the sudden revision in the time estimate for implementation of the FISP plan. Why did the deputy minister and

the minister not have the same information the previous week when they told committee members that the delay would be six or seven months, and last September when they specified a May starting date less that eight months away? It is even more suspicious when paralleled with the assistant deputy minister's statement that the time estimate was reached, according to his statement on page 12:7 of the committee's proceedings; "after a very realistic and completely detailed approach with the advice of experts, consultants, from the outside who were hired for this purpose." If such expert help was contracted by the department, why did its most senior officials not know about it?

• (1130)

Another feeble excuse offered by the staff of the assistant deputy minister for the delay was the recent unemployment insurance catastrophe. He expressed the need to allow more computer time in order to avoid the same type of situation. The question then arises as to why the officials of the Department of National Health and Welfare took so long to learn their lesson. The unemployment insurance mess took place over the winter months, peaking around February. Why did the officials not then take note of the problem, institute a plan to avoid such a mess in the FISP cheques and set a reasonable target date for the implementation of the FISP bill in line with such a goal?

At best, the government is guilty of a lack of foresight. At worst, they are guilty of being insincere in introducing Bill C-264 with no intention of implementing it in the foreseeable future and therefore ignoring the administrative details.

From the time FISP was originally announced in December, 1970, up to May, 1972, the consumer price index rose by 6.5 per cent. By the summer of 1973, the increase may well reach the 10 per cent mark. Therefore, by the time FISP is operational Canada's families will be deprived of the buying power of the family allowance dollar whose levels were set two and a half years previously. And who is to say how many families will have been made ineligible for family allowances because inflation has priced them out of the FISP levels, even though their buying power may be unchanged?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, undoubtedly the hon. member is aware that during the course of the deliberations on this bill it was necessary to undertake discussions with the provinces with respect to how this concept fitted in with their priorities. They had many suggestions to make. They wished time to consider the bill and some of its provisions and to make suggestions for changes. Quebec, to single out that province in particular, had many suggestions to make which involved detailed discussions. It was impossible to forecast how long those discussions would take. This is a partial explanation for some of the delays involved. To this we should add House time itself.

In terms of the time necessary to provide for the administrative arrangements, I believe it well behooves us to err, if anything, on the side of caution in this effort inasmuch as we have listened to some of the admonitions of the opposition with respect to what has happened with

[Mr. Marshall.]

regard to administrative foul-ups. Many of the opposition members gave us some very excited speeches about what they fear in this regard, and we will certainly take every precaution necessary to ensure that, administratively, this program is run in a smooth, effective and efficient way. When Dr. Willard described what would be necessary in terms of lead time in the committee I believe that his explanations were perfectly justified.

I should like to refer now to the acceptability or otherwise of this motion. I believe, Sir, that you have indicated that it is acceptable on procedural grounds. I would argue that it is unacceptable because it would mean that—

Mr. Speaker: Order, please.

Mr. Knowles (Winnipeg North Centre): The minister is a little late.

Mr. Speaker: The minister is now arguing on a point of order when the motion is already before the House. He will appreciate that this cannot be done. He can consider only the substance of the motion, not its procedural acceptability.

Mr. Munro: Mr. Speaker, I acknowledge that I am belated on the procedural point but it seems to us that it would be impossible to pay FISP benefits immediately on Royal Assent. In view of the time required to analyse the statements of income and the administrative procedures necessary, I am sure it is readily apparent to all hon. members just how impossible this situation would be. For these reasons and from a common sense point of view I would argue the unacceptability of this motion.

An hon. Member: How long would this take?

Mr. Munro: An hon. member has yelled, "How long would this take". I would point out to him—

Mr. Lewis: He did not yell; he asked politely.

Mr. Munro: —that this was considered at great length in the standing committee. I indicated, and so did the deputy minister, that we would hope to submit application forms and information booklets to all those people wishing to apply for the new FISP benefits so they could fill these out in a considered fashion. Based on the requirements in the legislation, we would like them to submit the information on the previous year's income. We think this would fit in very well with the terms of their income tax statements which they will file during the first three months of next year. Thus they can avoid having to file different statements for different periods of time. This would be of considerable help in terms of the simplification of administration. The deputy minister indicated in the committee that he would expect the program to be under way during the course of the next summer. That is the explanation of why this number of months would be required for the implementation of this legislation.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the point which has been made in the discussion of this amendment is a very important one. I rise once again to stress its seriousness and to make a plea to the Minister of National Health and Welfare (Mr. Munro) that

even now he take this bill back to the drawingboard. The minister has great confidence that the administration of this legislation can be simplified and can be made to run smoothly, but I suggest to him that the additional length of time the deputy minister has already indicated will elapse before the act can be put into force is an indication of what will obtain during the entire life of this legislation if it is put on the statute books. I used the phrase "entire life" as though the legislation might be on the statute books for a considerable period of time. I doubt that it will. I suspect that within two or three years whatever government is in power will be coming back to Parliament asking for drastic changes in this legislation.

When one considers the number of changes that take place in the experience of an average family in the course of a year, when one realizes that these changes have a bearing on the amount of benefits available to a family under this legislation, I suggest there is no possibility of the legislation operating on this simplified basis. Every time there is a change in the income of a family, a problem arises as to the amount of benefit. The income can change because the breadwinner's wages or salary go up or down. The income can change because there is unemployment and reliance on unemployment insurance, followed by employment. The income can change because the mother goes out to work for a while, then ceases to work, and then goes out to work again. True, there are some families whose incomes are more or less static the year round. There are people on salaries, people in the upper brackets, who have some continuity in that regard, but most of the working people and those who are not working at all who will be affected by this legislation live on incomes that fluctuate a great deal during the course of a year.

• (1140)

There is also, of course, the question of the number of children in the family—this can change—and then there is the change through the years in the ages of the children. Add to this the requirements in this legislation for reports, add to it the time factors, and I suggest it will require a tremendous amount of technology to build a computer that will cope with the situation, and even after the computer has been built there is the human problem of dealing with individuals.

I think the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) is quite right to point out that the original estimate as to how long it would take to get the program started had to be extended considerably a month or two ago. It is clear, now, that there will be no payment under this legislation until the summer of 1973; it will take that long to get started because of the complicated mess in this legislation. That mess will continue until whatever government is over there has the sense and courage to admit it has made a mistake and return to the simpler method which has existed under the Family Allowances Act. The government is putting the people of Canada into an unholy situation by trying to impose the conditions necessary to qualify for this benefit, especially considering the fact that we have handled this matter in a progressive way for 27 or 28 years. Even at this late stage I urge the minister to take this bill back to the drawing board.

Mr. Ambrose Hubert Peddle (Grand Falls-White Bay-Labrador): Mr. Speaker, I do not wish to deal with this matter at great length. I would emphasize that this proposal began with a white paper in 1970. It took legislative form in 1971 at which time the government set an implementation date, which was to be May of this year. I cannot understand upon what basis the minister can now say, that certain factors had not been taken into consideration. It amounts to an admission of incompetence and lack of foresight.

The minister tried to put some of the blame on the opposition. I would remind him that the Official Opposition offered on a number of occasions to sit through the normal Christmas recess to ensure that this legislation was put through. But that offer was rejected. The government has an obligation to the people of Canada who have budgeted one way or another with this legislation in mind. The people who would have benefited have allowed for the benefits in their budgets and the people who would lose by it have also taken that eventuality into consideration. The amendment is well taken because it pinpoints the promise the government made to put this measure into effect by May. In my view the government has no alternative but to see that it is backdated to that date.

I can see only one reason for this vacillation. It is that the government wishes to get the best of both worlds. It does not want to offend the million or so families who will be cut out of this plan, yet it wants to continue to hold out a promise to those who will benefit. So it has decided to put the whole thing off until after the next election. I believe the government should show more courage and finally put this thing into pay through the people of Canada, and stand by their own legislation.

Mr. Speaker: Is the House ready for the question? All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Pursuant to section 11 of Standing Order 75, the recorded division on the motion stands deferred.

Mr. Jack Marshall (Humber-St. George's-St. Barbe) moved:

That Bill C-170, an act to provide for the payment of benefits in respect of children, be amended by deleting from subclause (5)(1) lines 26 to 31 on page five, and substituting the following:

"(1.1) Benefits paid in respect of children and persons referred to in subsection (3)(1) shall be applied exclusively toward the maintenance, care, training, education or advancement of the children or persons in respect of whom they were paid."

He said: Mr. Speaker, the purpose of this amendment is to provide that the benefits are paid in trust to the parent for the maintenance, care, training, education or advancement of the child or person in respect of whom they are paid. Family allowances and youth allowances were paid on a trust basis. The government has removed this trust in favour of the child. The government has put in an amend-

ment to provide that where the benefit is paid in respect of a child or person who is wholly or substantially maintained by federal or provincial government money or by an institution, then the benefit must be spent for the care, maintenance, etc. of the child or person. This merely emphasizes that a benefit which is paid to parents is not in trust for the child.

The principle of Bill C-170 is not the principle of the Family Allowances Act; it is not the principle of its predecessor, Bill C-264 which was introduced in the last session on September 13, 1971. Between that date and March 15, 1972, when Bill C-170 was introduced, an entirely different principle, a totally different philosophy, a distinct legal concept, was silently substituted.

The Family Allowances Act, the Youth Allowances Act all have one principle in common. That principle is that the benefits are established, paid, administered and accounted for as a right that is vested in our children. The people of Canada, acting through their government, are the donors. The parents are the trustees and the children have been and are the beneficiaries. The government proposes to take away that right in Bill C-170.

Nowhere in his explanation of the bill on second reading did the Minister of National Health and Welfare (Mr. Munro) confess to the purpose of Bill C-170. Indeed, he implied that the rights of Canadian children, as established by Parliament, will be maintained and even enhanced. As reported in *Hansard* at the top of page 1133, he said:

> FISP benefits will provide a basic income for each child upon which can be built additional supports as deemed appropriate by provincial or municipal authorities. We know that unemployment insurance does not make any special provision for children. Neither do old age security, the guaranteed income supplement, the Canada Pension Plan retirement pension or war veterans allowances . . .

He might have added that neither does FISP.

Section 5 of the Family Allowances Act provides:

> The allowance shall be applied by the person receiving it exclusively toward the maintenance, care, training, education and advancement of the child . . .

Section 5(1) of the Youth Allowances Act provides:

> An allowance payable to a parent in respect of a dependent youth shall be applied exclusively for the care, maintenance, education or advancement of such youth.

Clause 5(2) of Bill C-264 introduced last session provided:

> A benefit shall be applied
>
> (*a*) in the case of a child referred to in paragraph 3(1)(*a*), exclusively toward the maintenance, care, training, education, or advancement of the child in respect of whom it was paid, and
>
> (*b*) in the case of a person referred to in paragraph 3(1)(*b*), exclusively toward the maintenance, care, training, education or advancement of the person in respect of whom it was paid . . .

Those trust provisions for the benefit of the children of Canada do not appear in Bill C-170. Instead, that bill takes away the vested right of the children, a right which the minister said was the only such right they possessed. And what does Bill C-170 propose to substitute? Outright grants to adults. The children become part of a formula upon which the right of the adult is based and calculated.

[Mr. Marshall.]

• (1150)

Clause 5 provides that the recipient of the allowance shall be the parent or other authorized person. The definition of "family" and "parent" refers to the child as being in the custody and control of such person. Clause 3(1) on page 3 and clause 4(3)(*a*) and (*b*) on page 4 provide that a child be wholly or substantially maintained by such person. That is the sum total. There is no reference to the child being cared for, trained, educated or advanced.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I think this motion has considerable merit. The title of this bill is: "An act to provide for the payment of benefits in respect of children". The governing words are "in respect of children". I humbly submit that at issue here are payments made for the benefit, maintenance, education and support of children.

What the hon. member is attempting to put before the House, I think quite forcefully, is that we are removing the trust aspect relating to these payments. It now appears that the money is going not for the benefit of the children, or in respect of children, but rather in respect of parents or those who have the control of or guardianship of children.

I am sure the government is aware of the principle that the hon. member is trying to put forward. Let me refer to clause 5(1.1), an amended provision which sets forth the thinking that should be behind the bill. It provides:

> Benefits paid in respect of persons referred to in paragraph 3(1)(*b*)—

Paragraph 3(1)(*b*) refers to persons who are looked after or provided for by a department or agency of the government of Canada, or a province or institution. The money paid under FISP is to be used for, and shall be exclusively applied toward, the maintenance, care, training, education or advancement of the person in respect of whom the money is paid.

It is there that you have an anomaly. Where children are under the care of an institution or federal or provincial agency, the government has been extremely explicit in stating that the money is to be used for specific purposes. However, in the relationship that exists between parents and/or guardians and/or relatives and children the trust aspect is forgotten about and the parents are told that they can take the money and do what they want with it. And this is exactly what is happening.

It would not take too much research to look into this kind of relationship. I am not going to make a general statement in this regard, but too many parents do not use the money for the benefit of their children. Rather, it is used for the benefit of themselves. I do not want to illustrate cases where people wait for the cheques to arrive by mail and then take a taxicab to the local beer parlour or liquor store, or buy clothing for themselves. I do not know how that would benefit the children.

I suggest it does not take too much argument to make anybody realize that the hon. member has brought to the forefront a point that should be thoroughly considered by the government. If this money is to be used for the benefit of children, the act should specifically so provide. In fact, I am wondering whether this money will be so used.

Certainly I would question it. As long as money is paid out with no strings attached the money will be used for the benefit of the parents rather than for the benefit of the children to whom the money is directed.

I hope that in replying to the hon. member's remarks the minister will give us some assurance, though I do not know how he can, that the principle we are now discussing is whether we should pay these benefits to parents for the benefit of their children, or whether the money is paid to the parents for the benefit of the parents and their children. I can envisage this money being used to pay the rent or for the parents' medical expenses, for example, in which case the children would derive no benefit at all. Or is the money to be directed toward the maintenance, care, training, education or advancement of the person in respect of whom it is paid?

As I say, I should like the minister to underscore the principle of the bill so that the country can be advised. If the money is to be used for the benefit of the children, the act should so state and strings should be attached. In only one case are strings attached, and that is when children are in the care and control of an institution. No strings are attached when they are in the care and control of their parents. Therefore I support the motion.

Mr. Speaker: Order. The minister has already spoken. He can only speak now with the consent of the House.

Some hon. Members: Agreed.

Mr. Munro: Mr. Speaker, the general philosophy behind family allowances is that the payment is an incremental income for a family with children to assist them with the additional responsibilities they have compared with a single person or a childless couple. The money goes into the general family income pot, so to speak, to assist families with a dependency factor, as opposed to the expenses incurred by a childless couple or a single person.

We all know that wage scales are based on the value of a service rendered by a person to a particular firm. However, such wages do not take into account this dependency factor, and this is one of the rationales of family allowances. In cases where family allowance is paid to children in the care of an institution, I think there should be a term in the legislation, in the absence of the natural parents, to provide that the money is to be used for the care and maintenance of the children.

The hon. member is now suggesting that we should ensure that each payment sent to a mother is used for the care and maintenance of her children. Let one just consider the number of cheques being sent out each year. There are well in excess of two million families in receipt of family allowance each month. Some hon. members opposite have been talking about the administrative difficulties created by the bill. The moving of a motion such as this illustrates just how terribly concerned they are about administrative difficulties. I would ask them whether they would want to see the creation of an horrendous federal bureaucracy, established at considerable cost to the taxpayers of this country, in order to police the action they suggest.

Mr. Baldwin: That is not so.

Mr. Munro: I suggest it would be so. Or, may I ask, is this motion being put forward merely as a pious declaration of intent, with no consideration at all being given to its enforcement? I am in the hands of the hon. member, but in our previous discussion of family allowance we have never considered this kind of policing arrangement in regard to parents in receipt of family allowance. We were well aware that it was unenforceable and as of right they receive this money subject to the income test, so I would ask hon. members in terms of common sense to let the legislation go as it now stands and not include this type of requirement.

• (1200)

We are talking here in many cases of lower income families, and this money is for the general good of the family. It would be very difficult in any particular situation to say whether the parents had used the money for the care and maintenance of the child as opposed to providing better accommodation generally for the whole family. Could one not say that is indirectly a very tangible benefit to the child itself? You get into all of these problems of interpretation which would render such an addition invalid and unsuccessful. For those reasons I would ask hon. members to turn down this amendment.

The Acting Speaker (Mr. Laniel): Is the hon. member rising for the purpose of asking a question?

Mr. Baldwin: I want to make a speech if the House will let me, Mr. Speaker.

An hon. Member: Agreed, on division.

Mr. G. W. Baldwin (Peace River): Very briefly, Mr. Speaker, I think the minister misconceives the legal aspect. I am sure my hon. friend in whose name the motion stands is not suggesting that the government should engage or hire a large number of people to actively police every aspect of this. As I construe the motion, it constitutes a statutory responsibility of a contractual nature by which those people who are legally entitled to and do in fact receive these funds have a statutory duty upon them which can be properly accepted by them through this clause. Such a provision has been put in other statutes. It is in many provincial statutes, perhaps not in precisely the same form, but surely this is why we have statutes. In many instances it is necessary to spell out that there is a duty upon those receiving certain funds and that these are the conditions under which the funds are received. In the motion the conditions have been clearly and explicitly set forth. The money is to be applied toward the maintenance, care, training, education or advancement of the child.

If the government became aware that there was a breach obviously it might have some responsibility to do something about it, but as between the child who is the beneficiary and the person who receives the money there is a legal duty upon the parent or other person. That is the meaning of the motion.

Mr. Munro: Ask me a question so I can reply.

Mr. Baldwin: The minister wants to make another speech. I think we will wait until we get to third reading.

By that time so many questions will have been asked that he will probably be able to devote his entire speech on third reading to answering valid questions.

Mr. Munro: Okay, never mind.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in self-defence against my friends to the right may I point out that I was pleased to support the first two amendments put forward by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), but in this case I ask my friends to the right to take another look at the matter and consider the possibility they have misunderstood the legislation. I realize they have many distinguished legal counsel in that group who are used to looking at the law and are anxious to practise equity.

Mr. Baldwin: And we give free advice.

Mr. Knowles (Winnipeg North Centre): I think it is on that basis that the hon. member for Humber-St. George's-St. Barbe suggests we make this legislation the same right through the piece, applying the same terms to children as are applied to persons in clause 3(1) of the bill. I would ask him to look again at clause 3(1)(*a*), which is the standard provision for paying what we have called family allowances to parents across the years. We have not policed it over the last 25 or 27 years. Where there has been wrongdoing it may have been caught, but we have not policed every mother to see how she was spending that money.

Clause 3(1)(*b*) is a special provision that was put in to cover payments to agencies and institutions that may be caring for children. Incidentally, this was related to a point we discussed on second reading as to whether full payments would be made in such cases, and in the committee the government agreed that all the payments should be made in full. As a matter of fact, the original bill provided for only half payment on a certain basis, but that has been struck out. Now, where children are in institutions, the full amount of the allowance is paid on their behalf.

Surely it has become necessary, since we are going to make payments to institutions looking after children, to provide how those institutions shall use that money. It was also pointed out to us in the Standing Committee on Health, Welfare and Social Affairs that this has some relation to the funds these institutions receive under the Canada Assistance Plan.

At any rate, what 3(1)(*b*) refers to is simply the case of persons or children, if you will, who are in the care of institutions. I think it is appropriate for us to lay down in law that, where institutions receive this money, they shall use it exclusively for the maintenance, care, training, education or advancement of the children. They must not use it to offset some other cost and they must not use it in juggling their accounts under the Canada Assistance Plan. It must be used for the purpose suggested there. I think that to provide a requirement as to what must be done when the money gets into the hands of institutions is all right, but the laying down of a requirement that every mother in Canada who gets this money must meet certain conditions or be subject to policing is going a little too far.

I find myself uncomfortable in being on the minister's side on this point because he is making a big mistake with the bill as a whole.

Mr. Baldwin: I don't blame you.

Mr. Munro: You have made that speech ten times.

Mr. Knowles (Winnipeg North Centre): Is that all? The minister says I have made the speech about the whole bill being a mistake ten times. There is no quota on this so there may be more to come. In all seriousness I ask my hon. friends in the Progressive Conservative party not to press this amendment.

Mr. Baldwin: Will the hon. member accept a question? In view of the reactionary speech he has made I should like to ask him this question. I am pinning a lot of my argument on the word "advancement". As a result of many legal decisions and judicial interpretations the word "advancement" has the very widest meaning, and almost any expenditure would fall within it. I do not want to make a speech so I will ask the question.

Some hon. Members: Thank God for that.

Mr. Baldwin: Would the hon. member not agree that almost any type of expenditure in respect of the household, the home or the benefits of the same is and must be covered by the word "advancement"? So there is quite a bit of flexibility there which should answer the objection of my hon. friend. I would ask him if he would not accept that the use of the word "advancement" would get rid of his objection?

Mr. Knowles (Winnipeg North Centre): If my hon. friend is saying that the word "advancement" is so broad it has no meaning, then why bother?

Mr. Baldwin: It has a wide meaning, but not too wide.

Mr. Knowles (Winnipeg North Centre): I think I would rather trust the mothers of Canada than the lawyers in the Tory party.

• (1210)

Mr. W. M. Howe (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I do not want to take up too much time on this motion, but I was prompted to rise by the use by the minister of the words "common sense" a couple of times in respect of this legislation. Anyone who can look at this legislation and say it has been created by the use of common sense has much to answer for because here we are speaking of an amendment to the bill which seeks to do something that has been done before. The minister says it would involve the necessity of policing the mothers of Canada. This is not a new proposal which is being suggested. It was contained in the old act. I cannot remember a single situation of a mother being harassed because she did not use the family allowance cheque in the proper manner. We all know there are probably cases in which a check should be made or in which some organization should be involved in the directing of the spending of the money so that the children involved will receive the benefit. I say that here is an arrangement for the protec-

tion of the children of Canada which would not in any way belittle the mothers.

All we need do is pick up the newspapers any day to become aware of cases of children not receiving the benefits. This provision is included to protect the children of Canada. I do not think the hon. member who placed this amendment on the order paper had any idea of belittling the mothers of Canada. He feels that from time to time cases may arise where children will need the protection of this amendment.

This minister is not one who is prone to accept amendments from anybody. We have had experience with him for a long time starting with the Canada Pension Plan when he was a parliamentary assistant. There are other ministers who are much more amenable than he is in respect of amendments. I remember when the legislation in respect of the Canadian Transport Commission was being put through the House. The minister piloting that legislation accepted amendment after amendment. Of course that bill never should have been passed. It was similar to this bill. Here we have an amendment the substance of which has been on the law books of Canada for 20 years. I do not know of any case in which it has been abused. It is there as an assurance in cases where there may be abuse created by the parents, that the children will receive the benefit of the legislation. I think the minister would do well to accept this amendment.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I think I would disagree with the hon. member for Winnipeg North Centre (Mr. Knowles) in respect of this amendment.

Some hon. Members: Hear, hear!

Mr. Peters: I am aware of the difficulties which arise—

Mr. Knowles (Winnipeg North Centre): You are not a Tory lawyer.

Mr. Peters: —in supervising the use of the money. I would agree with those who say that money paid under family allowances no doubt in some cases has been substituted for money that should have come from other sources. However, I suggest to the hon. member for Winnipeg North Centre that by the time this legislation is in effect the computers which will be developed to handle it will be complicated and advanced enough that they will also be able to make house calls. I think this can probably be supervised in the home by the computers.

The Acting Speaker (Mr. Laniel): Order, please. Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Laniel): Is it the pleasure of the House to adopt the said motion? All those in favour please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Laniel): All those opposed please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Laniel): In my opinion the nays have it.

Mr. Marshall: On division.

The Acting Speaker (Mr. Laniel): The motion is defeated on division.

Motion No. 4 (Mr. Marshall) negatived.

The Acting Speaker (Mr. Laniel): Order, please. We have now reached motion No. 5 in the name of the hon. member for Humber-St. George's-St. Barbe on which Mr. Speaker made some comment at the outset concerning its acceptability because of the financial implication. I wonder whether hon. members would be ready to accept the suggestion made by Mr. Speaker that because both motion No. 5 and motion No. 6 in the name of the minister have the same implications it might be simpler to consider motion No. 6 for which there is a royal recommendation and at the same time eliminate the difficulty with which we are faced in respect of motion No. 5. The Chair would welcome at this time a comment from the hon. member for Humber-St. George's-St. Barbe.

Mr. Marshall: Mr. Speaker, we are agreeable to proceeding with motion No. 6 in the name of the minister, and in the interest of getting on with the bill I withdraw motion No. 5.

The Acting Speaker (Mr. Laniel): Does the hon. member have the consent of the House to withdraw motion No. 5?

Some hon. Members: Agreed.

Motion No. 5 (Mr. Marshall) withdrawn.

Hon. John C. Munro (Minister of National Health and Welfare) moved:

That Bill C-170, an act to provide for the payment of benefits in respect of children, be amended by striking out lines 18 to 30 of Clause 6 at page 6 and substituting the following:

"(1)(*a*) or (*b*), as the case may be."

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise merely to suggest that the minister might say a word or two on this motion so that what we are doing will be on the record. This is the change that would do away with the earlier arrangement which provided for only half the amount of the allowance being paid in certain circumstances. It is a welcome change, but I think the fact that the change is being made should be on the record.

Mr. Munro: I would be pleased to do that, Mr. Speaker. In the committee I indicated that the government would be pleased to consider an amendment of this kind when the appropriate stage arrived. As the hon. member for Winnipeg North Centre (Mr. Knowles) suggests, the bill, prior to this amendment, provided that one-half the maximum benefit would be paid in cases where the care and custody of a child were in an institutional environment. This proposed amendment, together with that which has been made already in respect of clause 5 in the committee, will result in the maximum payment being made in respect of all children in the care of agencies and institutions when the benefit is used only for the good of the children. I believe this not only meets the objection

expressed by hon. members opposite but is also a positive response to many of the letters we have received from some of the welfare ministers in the provinces.

Motion No. 6 (Mr. Munro) agreed to.

• (1220)

The Acting Speaker (Mr. Laniel): We will now proceed to the consideration of motion No. 7 but, as previously mentioned, the Chair has reservations as to its procedural acceptability. If hon. members will look at the motion and at the bill, they will notice that in clause 2(1) on page 1 of the bill "benefit year" means any period after August, 1972, consisting of 12 consecutive months commencing with the first day of September. Motion No. 7 proposes to add a new clause No. 20, which would have the effect of suspending the provision relating to a benefit as defined in the bill and provide for payment for a period in advance of the defined benefit year. It is the conclusion of the Chair that this would have the effect of initiating payments in certain cases four months prior to the date which is provided for in the bill and in the recommendation. To my mind this represents a clear financial implication which could not be undertaken without a recommendation. Because of this the motion cannot now be considered.

Mr. Marshall: Mr. Speaker, I just want to say that I bow to the position taken by the Chair.

The Acting Speaker (Mr. Laniel): We will now proceed to the consideration to motion No. 8.

Hon. John C. Munro (Minister of National Health and Welfare) moved:

That Bill C-170, An Act to provide for the payment of benefits in respect of children, be amended by striking out lines 10 to 26 of Clause 23 at page 24 and substituting the following:

"(*a*) the aggregate of

(i) the allowances that would have been paid under the *Youth Allowances Act*, as it read before being repealed by this Act, during that portion of that year that is before the repeal of the *Youth Allowances Act*, and

(ii) the benefits that would have been paid under this Act with respect to persons described in subsection 3(3) during that portion of that year that is after the repeal of the *Youth Allowances Act*,

and during which that province provided for the payment of allowances or benefits described in paragraph 3(3)(*a*) or (*b*), if allowances or benefits described in subparagraph (i) or (ii) had been payable to parents resident in that province; or

(*b*) the aggregate of allowances and benefits described in paragraphs 3(3)(*a*) and (*b*) that were provided by that province in that taxation year,

whichever is the lesser.

(2.1) Where for any taxation year, with respect to any province, the amount of the aggregate determined in accordance with paragraph (2)(*a*) exceeds the amount of the aggregate determined in accordance with paragraph (2)(*b*), the amount of the excess shall stand to the credit of that province for the purpose of subsection (2.2).

(2.2) Where for any taxation year, with respect to any province, the aggregate determined in accordance with paragraph (2)(*b*) exceeds the aggregate determined in accordance with paragraph (2)(*a*), the amount that may otherwise be recovered from the province for the year pursuant to section 6.1 of the *Federal-Provincial Fiscal Revision Act, 1964* shall be reduced by the amount of the excess, except that such reduction shall not exceed the amount standing to the credit of that province for the purpose of this subsection."

He said: Mr. Speaker, in essence what this amendment is designed to do has particular applicability to the province of Quebec. As hon. members are aware, we gave three tax abatement points to Quebec in lieu of that province raising its own taxes in order to finance its youth allowances. In view of the fact that they have already had their abatement points we are saying here: We will pay you what the FISP benefits would have amounted to if applied in the province of Quebec if you are going to carry on with your own youth allowances program.

Further, what we are now saying is that if they design their program in such a way that they spend in excess of what the federal payments would have been as applied in that province, they have to find that amount out of other revenues that they might have. If they do not spend the same amount as the federal payments would have been in that province, then the credit can be applied against other amounts that have been spent under the program in that province. This provides the province with the opportunity to get credits for underexpenditures that can be applied, on an averaging basis, to what may be overexpenditures in ensuing years. It provides for this type of adjustment on what we believe is a fairly reasonable basis.

Mr. Knowles (Winnipeg North Centre): Does this proposed amendment have anything to do with relations between Ottawa and Quebec respecting the payments for persons under 16 years, in other words, who come under the provisions of the Family Allowances Act, under the new FISP, or do we understand that negotiations about such payments are still taking place and that there might have to be an amendment to the act later, depending on what agreement is reached between Ottawa and Quebec? I think this is a pretty important aspect of the matter upon which the minister should enlarge.

Mr. Munro: Mr. Speaker, I would be pleased to try to answer the hon. member's question. The negotiations with Quebec on other features of the FISP legislation, particularly referring to those under 16 years, are still continuing. It is our hope that we will soon arrive at a reasonable settlement.

• (1230)

The Prime Minister's letter of June 9 to the premier of the province indicated that we felt that all outstanding issues in this area had been resolved and that we hoped we could now enter into an acceptable arrangement with Quebec, giving them the opportunity, within certain federal limits set out in an earlier letter, to design their program. My latest information is that the Quebec government is considering this and we are waiting to hear from them. If they should respond positively and indicate that they have arrived at a suitable solution to this question, then it might be necessary, as the hon. member implied, to bring forward an amendment to the legislation, probably in the next session of Parliament. I do not expect that all the "i's" will be dotted and the "t's" crossed by the end of this week and, as we all know, we hope to adjourn at that time.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the minister one more question? I realize it is hypothetical but it is the only way I can put it. When this bill is passed, becomes law and the payments go into effect some time in 1973, if no agreement is reached with Quebec in the meantime do I understand that the payments provided in this bill would go forward to the individual families in Quebec?

Mr. Munro: Yes, Mr. Speaker. Obviously, if no agreement were reached with Quebec and if no provincial option or amendment were made to this legislation and the act were proclaimed it would be applicable in Quebec and elsewhere precisely on the terms set out in the bill.

Mr. Stanfield: Mr. Speaker, may I ask the minister a question? In addition to discussions with the province of Quebec regarding some flexibility in family allowances, has the minister had discussions with the other provinces and is it contemplated that any arrangements made would apply only to Quebec or would they be extended to all the provinces? Is there to be discussion with the other provinces before anything is settled?

Mr. Munro: Yes, Mr. Speaker, there have been discussions with all the other provinces. As I indicated earlier, a letter went from the Prime Minister to Premier Bourassa on March 9, and it went as well to all other first ministers. This letter set out the terms of the suggested provincial option and was well received. The reaction from Quebec was fairly favourable and I am not aware of any unfavourable reaction from other provinces. Naturally they indicated that they wanted to study its terms and our officials have been available to explain any questions raised with regard to provincial options. To my knowledge there has been no objection from the other provinces. I do not know whether that answers the question of the Leader of the Opposition (Mr. Stanfield).

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, could the minister tell us whether the amendments before the House are a result of his talks with the Quebec Minister of Social Affairs and, if so, does he think that they meet with the Quebec government requirements?

[*English*]

Mr. Munro: If I understand the hon. member's question correctly, Mr. Speaker, the amendments that we have been considering today do not have any direct relationship to the discussion we have been having with Quebec except perhaps in a peripheral sense, when I talked about the arrangement for calculating youth allowances. The main theme of our discussion with Quebec is the proposals put forward in the Prime Minister's letter to the premiers of March 9. This went into considerable detail about giving the provinces the right to design the benefit level of the program within certain federal minimum standards.

Mr. Gilbert: Mr. Speaker, this amendment is quite complicated and I do not want to confuse the issue further but I am concerned about whether it may result in a lack of uniformity in family allowance payments in Quebec compared with the other provinces. If that is the case it is very serious and I am concerned about it. If this results in a difference in payments of family allowances for youngsters in Quebec compared with payments for children in other provinces, then surely the minister cannot justify this amendment.

Mr. Munro: At the present time, Mr. Speaker, the benefits for 16 and 17 year-olds under the Quebec schooling allowances are the same as the federal youth allowances so there is no problem there. A decision was taken earlier that Quebec would be given tax abatement points and through them could raise their own taxes to pay for their youth allowances program. The tax abatement points were valued at what was calculated to be the gross youth allowances paid out in that particular province. This is possible for the province of Quebec within the ambit of their own jurisdiction, which in this particular case we concede. In other words, they took advantage of the offer at that time but if my recollection is correct other provinces did not. Quebec may set the benefit levels at its own discretion. All this clause does is calculate what would happen if, for example, their benefit levels should be reduced to such an extent that the tax abatement points are worth more. In that case there is an adjustment through a refund to the federal government. If their youth allowances should be worth more than the federal government's value of tax abatement points, then they would have to raise this out of their own resources. That was passed several years ago.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, if the questioning of the minister is completed I should like to say a few words on this amendment. All it does is keep alive the arrangement already made between Ottawa and Quebec with respect to youth allowances. It may alter the terms slightly but in effect it keeps that arrangement alive. It does nothing about the payment of what are now known as family allowances or what will be known as family income security benefits for those under age 16. The minister has made clear that if any change in that respect is to be made, it will have to follow an agreement between Ottawa and Quebec and will have to be achieved through an amendment to the act.

• (1240)

I am not at all scandalized by the idea of letting a province like Quebec have some say about the formula to be applied to family allowances in respect of that province, if there is to be a formula. Hon. members must surely be aware that I favour the principle of universality as opposed to that of selectivity in these payments, but if there is to be selectivity I do not find it offensive to think that a special arrangement might be made with Quebec. I hope, Sir, that you will allow me to speak for a moment or two before you question whether I am in order in my remarks.

I regard as very serious and deplore the way in which old age security programs, family allowances and the Canada Pension Plan are being traded against each other in the negotiations that are taking place.

Mr. Rynard: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I was particularly concerned when I learned—and I asked questions about

this yesterday—that in the Quebec National Assembly a bill has been tabled that would amend the Quebec Pension Plan in such a way as to put it out of line with the Canada Pension Plan. I think the Canada Pension Plan was a particularly good piece of legislation and I think the arrangement under which the Quebec Pension Plan was passed at the same time was an outstanding example of co-operation between the federal regime and the Quebec provincial government. It was an outstanding example because that plan works in full co-operation with the federal plan and there is full synchronization. The Quebec government has full control over the Quebec Pension Plan. Individuals can leave Quebec, go to other provinces of Canada and move back again without any harm being done.

I see you are becoming somewhat agitated, Mr. Speaker. Let me say why my remarks are relevant. I do not think it is good for the political health of this country when some people threaten: If you do not do this to family allowances or to the old age security program we, in Quebec, will change the Quebec Pension Plan and cause trouble. The trouble would be very real because it would involve various employers and different arrangements would need to be made. I shall finish in a minute or two, Mr. Speaker.

It should not be inferred from what I have said that I am simply deploring that Quebec has done. I deplore the fact that this government, which gave notice in December, 1970, of the amendments it would bring in with respect to the Canada Pension Plan, has not moved more vigorously with respect to those amendments. If those amendments with respect to the Canada Pension Plan had been introduced, I think we would perhaps not be in our present trouble. The various programs I mentioned are being traded against each other. I think that this should come to an end. I hope the discussions that will take place between Ottawa and Quebec with respect to FISP—you see, Sir, my remarks are now in order—will be the kind of discussions in which there will be an attempt to bring about a harmonious understanding with respect to all these pieces of social legislation.

The Acting Speaker (Mr. Laniel): Is the House ready for the question? Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Mr. Gilbert: On division.

The Acting Speaker (Mr. Laniel): I declare the motion carried on division.

Motion No. 8 (Mr. Munro) agreed to.

The Acting Speaker (Mr. Laniel): The House will now proceed to Motion No. 9 standing in the name of the hon. member for Winnipeg North Centre (Mr. Knowles).

Mr. Stanley Knowles (Winnipeg North Centre) moved:

That Bill C-170, an act to provide for the payment of benefits in respect of children, be amended by deleting therefrom Clause 24, being lines 31 to 37 on page 24 of the said bill.

He said: Mr. Speaker, at the outset I wonder if I could make a deal with the minister and with the House. If I must speak until one o'clock so that we do not mess up the lunch hour with a vote or two, of course I can do so. On the other hand, if there could be an understanding that any deferred votes will take place this afternoon after the question period, which I think is the course of common sense, I would be prepared to make my speech much briefer than might otherwise be the case.

An hon. Member: You are on.

An hon. Member: Blackmail.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I am told this is blackmail, and I am also told this is a good idea.

Mr. Munro: I agree to the suggestion, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): I wish to thank the House, Mr. Speaker.

Mr. Bell: This is a good sign for the rest of the week.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I am aware of some of the difficulties that might arise if this amendment were carried and if this bill were carried without clause 24. The result would be that the new FISP program would be in effect but the old Family Allowances Act and the Youth Allowances Act would also continue to be in effect. Some people would like that. They would not say it is ridiculous, because it would mean that people would get both payments.

Mr. Alexander: Where would the money come from?

Mr. Knowles (Winnipeg North Centre): We should then be doing something similar to what is happening under the old age security program, under which all people are paid the basic $80 but under which some people get GIS as well. So, people would be getting family allowances under the old act and, in cases where they pass the means test, they would also get the new family income security plan payment under the new act.

My reason for moving this amendment, Mr. Speaker, was to provide a last opportunity for saying before we reach the third reading stage that I do not like to see the Family Allowances Act being repealed. I had the privilege of being in the House in 1944 when it was passed. I was one of those who voted for it. Incidentally, it was one of those recorded votes that was unanimous.

An hon. Member: The hon. member voted for the BNA Act.

Mr. Knowles (Winnipeg North Centre): I am talking about the Family Allowances Act, not the British North America Act which was passed at Westminster. I was never in that Parliament.

An hon. Member: The hon. member was away that day.

Mr. Knowles (Winnipeg North Centre): As I say, that vote in 1944 was unanimous. There was one member who said he would vote against the bill but he was not present when the vote was called and the vote was unanimously in favour. I still think it was one of the better pieces of social legislation passed by the Parliament of Canada. I think

the two best pieces of legislation have been the Old Age Security Act, as it was passed in 1951, and the Family Allowances Act, as it was passed in 1944. I think legislation that accepts Canadians as Canadians and does not divide people according to their wealth or poverty is good Canadian legislation. I do not like to see this good legislation being wiped from the statute books and replaced by a piece of legislation brought in under the euphemistic term "selectivity" but under which the government, by applying a means test, will be dividing the people of this country into those who have and those who do not have. Therefore I want to vote against this proposal to wipe out the 1944 Family Allowances Act. I think it was a good piece of legislation and this Parliament should confirm the wisdom of those who were here in 1944.

• (1250)

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, a while ago the hon. member for Winnipeg North Centre (Mr. Knowles) spoke about trusting the mothers of Canada rather than Tory lawyers. I want to say that I cannot trust him and I do not understand what he is attempting to do in moving a motion which in my view is legally impossible to accept. I think the hon. member was very fair in that he said that anyone interpreting his motion would appreciate that if it were adopted we would in effect have the Family Allowances Act, the Youth Allowances Act and also Bill C-170. What the hon. member is attempting to do is to show his disgust, if I may use the term, at the action of the government in removing the excellent plan that has been implemented over the years. But why we have to go through this manoeuver in order to prove that point is beyond me.

Let us suppose that by chance the amendment carried. We have to be responsible lawyers and responsible laymen within this chamber in bringing forward motions. I say that the bill will be an administrative nightmare in any event because of the criteria that are set down with respect to the number of children involved, the ages of the children and income. It has been pointed out time and time again that because of changing circumstances that affect each and every one of these criteria those who should be able to take advantage of this legislation will find themselves in a rather difficult position every month because even within that time span we can expect differences of age to become apparent, incomes to change or a child to be born. What it comes down to is whether in effect we can accept the motion of the hon. member. With all due respect to him I find that it is not feasible.

The hon. member did not say how much cost his motion would entail. I was not being facetious when I asked him about this. The hon. member appears to have thought that in order to register his profound objection to the way in which the government is now approaching the matter he should advocate that all these acts be operative at the same time. But if we are going to discuss this motion sensibly we should at least know what it means in terms of money. I have heard nothing about that. As a matter of fact, I know that the hon. member did not wish to pursue the matter further. What he wanted to do was to register his concern.

We have registered objections regarding the departure from the principle of universality and the adoption of selectivity in the plan. We have all made pertinent points and questioned the sudden change of thinking in this regard. In a recent speech the minister said that the middle-income people—

Mr. MacEachen: Order!

Mr. Alexander: The government House leader says "order" because he knows what I am going to say. I think the minister revealed the government's position when he stated that the middle-income group will have to pay the shot in the future. Universality will disappear and as a result the middle-income group will have no incentive to continue paying.

Mr. Munro: I rise on a question of privilege, Mr. Speaker. Perhaps in my reply later I can indicate specifically what I said because I do not want to be misquoted. The hon. member is guilty of gross distortion when he makes remarks of that kind. This is not at all what I said. If he would care to get a copy of my speech, which was sent to the leader of his party, he can read my remarks.

Mr. Knowles (Winnipeg North Centre): If he reads them he will have more criticisms.

Mr. Alexander: Let me put it this way, Mr. Speaker. It is my considered opinion that it is the position of the government that the middle-income group will have to pay the shot. I recall that the other day questions were asked of the Prime Minister (Mr. Trudeau) about whether in fact this is the policy of the government. The answer given was certainly ambiguous and evasive. All indications can lead us to no other conclusion. If the minister takes exception to this, I will withdraw my remark as it applies to him personally and apply it to the government benches in general. That will bring them all into the boat, and if they want to rise on a question of personal privilege they are quite entitled to do so under the rules. All I wish to say is that people must be given incentives if they are to pay continually for a good program. Parliamentary democracy allows people to register their concern, and this concern will be made apparent if one particular group in society is continually made to pay. May I call it one o'clock, Mr. Speaker?

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

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

PRIVILEGE

MR. HALES—ALLEGED ERRORS IN TABLING OF REPORT OF NATIONAL HARBOURS BOARD

Mr. A. D. Hales (Wellington): Mr. Speaker, I rise on a point of privilege concerning the tabling of a report prepared by the National Harbours Board on Friday, June 23. I am rising at the earliest possible opportunity. My

question of privilege is that I believe the records of the House are incorrect. It is not a personal point of privilege but one that affects every member of the House.

The fact is that in tabling its report the National Harbours Board did not abide by the rules and regulations laid down by Parliament. There have been three breaches of the laws of this Parliament and an abuse of Standing Order 41(1). The following appears at page 424 of *Votes and Proceedings* for June 23 last:

> The following papers having been deposited with the Clerk of the House were laid upon the Table pursuant to Standing Order 41(1), namely:
>
> By Mr. Jamieson, a Member of the Queen's Privy Council,—Financial Statements of the National Harbours Board, for the year ended December 31, 1971, pursuant to section 32 of the National Harbours Board Act, chapter N-8, R.S.C. 1970—

Section 32 of the National Harbours Act provides:

> The Board shall, as soon as possible but within three months after the termination of each calendar year, submit an annual report to the Minister in such form as he may prescribe—

In passing, I point out that the report was tabled six months, instead of three months, after the termination of the calendar year 1971. I also bring to Your Honour's attention that section 34 of the National Harbours Board Act provides:

> The accounts and financial transactions of the Board shall be audited by the Auditor General of Canada.

The fact of the matter is that the report was tabled with a financial statement that was not audited or certified by the Auditor General of Canada, in violation of section 34 of the National Harbours Board Act. In addition to that, although it is not laid down by statute, it is a matter of courtesy for the board or any other government commission to table sufficient copies to enable all Members of Parliament to receive one. In this case, only one copy was tabled and, as I say, it was not audited by the Auditor General.

It appears to me that these very serious omissions on the part of the National Harbours Board must not be allowed to go unnoticed, not by me or by any member of the House. Certain rules and regulations are laid down and must be followed, and I submit they have not been followed. I therefore suggest that the House should not accept a report that does not meet the criteria laid down by Parliament.

I hope Your Honour will not rule I am raising a grievance because this is a matter of parliamentary procedure that affects all members, but if Your Honour feels I have made out a bona fide case, I shall move, seconded by the hon. member for St. John's East (Mr. McGrath):

> That this House orders the Clerk of the House to expunge from *Votes and Proceedings*, No. 80, for Friday, the 23rd June 1972, under the heading, "Returns and Reports Deposited with the Clerk of the House", the following entry:
>
> "By Mr. Jamieson, a Member of the Queen's Privy Council,—Financial statement of the National Harbours Board, for the year ended December 31, 1971, pursuant to section 32 of the National Harbours Board Act, chapter N-8, R.S.C. 1970 (English and French).—Sessional Paper No. 284-1/154".
>
> and that the Clerk do return the Paper, improperly titled "Sessional Paper No. 284-1/154" to Mr. Jamieson, a member of the Queen's Privy Council.

I hope—

[Mr. Hales.]

Mr. Speaker: Order, please. The Chair is prepared to indicate whether it feels that a prima facie case of privilege has been made. I really do not think that we should allow a debate on the matter. The hon. member for Peace River (Mr. Baldwin) seems anxious to rise, but I do not think he should be allowed to rise unless the Chair rules that there is a prima facie case of privilege. Otherwise, as hon. members know, there is no reason why we should not have a full debate on the matter, and I do not think there should be a debate unless it is felt that there is a prima facie case of privilege established.

Certainly, I cannot make such a finding. The hon. member has given notice of his intention to raise this matter this afternoon by way of a question of privilege. I have had the opportunity to give the matter some thought in the meantime, and I have certainly given full attention to the submissions he has made for the consideration of the Chair. It seems to me that the hon. member has two grievances, the first in relation to what he considers to be an illegal procedure concerning the tabling of this report, and the second in relation to the distribution of the report. He says that only one copy has been tabled, whereas it is the general practice to table more copies for distribution to hon. members who want to see the report. I fail to see how this can be considered a breach of the privileges of the House.

The motion suggested by the hon. member is, in my view, a substantive motion. It is not a privileged motion but a submission that substantive action be taken by the House in relation to certain facts to which he has alluded. That, to my way of thinking, is a substantive motion which would have to be moved in the usual way, with the required notice given as provided by the Standing Orders.

While the hon. member may have a grievance in so far as the distribution of the document in question is concerned, if the Chair could be of assistance in this respect there is no doubt that I would be prepared, with the assistance of the Clerk and the gentlemen at the table, to satisfy this requirement for the hon. member. Otherwise I do not think the matter should be debated in the House by way of a question of privilege.

• (1410)

[*Translation*]

VETERANS AFFAIRS

Fourth report of Standing Committee on Veterans Affairs—Mr. Guay (St. Boniface) (for Mr. Foster).

[*English*]

Through you, Mr. Speaker, I should like to assure the hon. member for Wellington (Mr. Hales) that all the necessary requirements have been met before presenting this report.

Some hon. Members: Order, order.

[*Editor's Note: For text of above report see today's Votes and Proceedings.*]

FINANCE

TABLING OF TARIFF BOARD REPORT ON STRAWBERRIES

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I rise on a point of order. I want to apologize to the House, but I wonder if I might just table a report in accordance with the rules.

Mr. Speaker: Has the hon. minister the consent of the House to revert to motions for the purpose of tabling a document?

Some hon. Members: Agreed.

Mr. Turner (Ottawa-Carleton): I want to thank the House for its courtesy. In accordance with Section 6, Chapter T-1 of the Revised Statutes, I wish to table a copy in English and French of a report of the Tariff Board in respect of strawberries, reference No. 148, together with a transcript of the proceedings on the reference.

Some hon. Members: Hear, hear!

Mr. Hees: A typical Turner big deal.

An hon. Member: How about blueberries?

ORAL QUESTION PERIOD

FINANCE

POSITION OF CANADIAN DOLLAR—INTERVENTION BY BANK OF CANADA—GOVERNMENT POSITION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I am glad to learn that the government is finally getting down to earth. I should like to direct my question to the Minister of Finance. Yesterday he indicated that his government was not taking any particular initiative with regard to the dollar. I should like to ask what the reason was for the apparently substantial intervention yesterday by the Bank of Canada in connection with the Canadian dollar?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the exchange fund did not intervene except to maintain an orderly, stable market in accordance with the policy the fund has maintained ever since the dollar was floated.

Mr. Stanfield: Mr. Speaker, I should like to ask the minister whether the government of Canada and the Bank of Canada have any policy other than to simply maintain an orderly float? In other words, is it still the policy of the Bank of Canada and the government to allow the dollar to float freely, subject to levelling out from day to day fluctuations?

Mr. Turner (Ottawa-Carleton): That is still the policy of the government, Mr. Speaker.

Inquiries of the Ministry

GOVERNMENT POSITION ON SUPPORT OF UNITED STATES DOLLAR

Mr. Stanfield: I have a further supplementary question. Is it, therefore, the policy of the government of Canada not to join with European countries and European central banks in their policy of supporting the U.S. dollar? Is the government of Canada remaining apart from any international movement to support the United States dollar?

Mr. Diefenbaker: Neutral, as always.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, if we find at any time there is a risk that the agreement arrived at in Washington would have to be revised, then of course Canada would take all appropriate initiatives. For the moment we are satisfied with the results which appear to have been achieved yesterday in Luxembourg. We will continue to watch the international monetary scene.

GOVERNMENT LIAISON WITH CONFERENCE ON EUROPEAN CURRENCIES

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have a supplementary for the Minister of Finance. Does the government of Canada, itself or through the Bank of Canada, maintain a direct contact with the discussions which are taking place in Luxembourg as well as other discussions which obviously are taking place in a very desperate effort to save a very difficult situation with regard to European currencies?

Hon. John N. Turner (Minister of Finance): Yes, we are in touch and so is the Governor of the Bank of Canada.

POSSIBLE GOVERNMENT ACTION AGAINST UNITED STATES SUBSIDIARIES DELAYING DIVIDEND PAYMENTS

Mr. John Burton (Regina East): Mr. Speaker, I should like to ask the Minister of Finance if the government is contemplating taking any steps in respect of the actions of some United States owned subsidiaries in Canada which are delaying dividend payments to the parent firms in the United States, thus contributing to the problem which is now under study?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I do not know if I can accept the preamble to the hon. gentleman's question and therefore I do not know how relevant my answer would be.

INQUIRY AS TO GOVERNMENT POLICY ON HOLDINGS OF GOLD AND UNITED STATES DOLLARS

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I wonder whether the Minister of Finance could tell us why Canada in recent years has increased its holdings of depreciating assets, namely United States dollars, while decreasing its holdings of appreciating assets, namely gold. Does it intend to maintain this policy?

Hon. John N. Turner (Minister of Finance): It is a little difficult for me to answer that unless the hon. member wants to have a debate about it.

Mr. Nowlan: I have a supplementary, Mr. Speaker, in order to clarify the confusion that seems to exist in the minister's mind. In view of the very large holdings of United States dollars and the decreased holdings of gold, does the government or the Bank of Canada have any policy to diversify their holdings of reserves or does the government or the Bank of Canada have a guarantee on the exchange rate on the dollars we hold.

Mr. Turner (Ottawa-Carleton): No; there is no guaranteed rate.

Mr. Speaker: Order, please. A number of supplementaries are sought. Perhaps for the moment the Chair will recognize the hon. member for Regina-Lake Centre.

Mr. Benjamin: It is not a supplementary.

Mr. Speaker: I appreciate it is not. The hon. member is recognized so that we may finish the first round of questions, and then return to the supplementaries.

* * *

ROYAL CANADIAN MOUNTED POLICE

ALLEGATIONS BY FORMER CORPORAL RAMSAY—REQUEST FOR STATEMENT BY MINISTER

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, my question is directed to the Solicitor General. In view of his admission yesterday that he had not read the article by ex-Corporal Ramsay which appeared in *Maclean's* Magazine, and in view of the serious charges and other statements in the article, has he now read the article, and if not why not? If he has, what action does he intend to take by way of inquiry? Also, will he make a statement in the House?

• (1420)

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, unfortunately I have not yet had the time to read that article. As for an inquiry into the RCMP, it would be untimely in view of the circumstances because no precise fact which could justify it was drawn to my attention.

[*English*]

ALLEGED PUBLICATION OF PART OF CONSULTANTS REPORT BY COMMISSIONER—REQUEST FOR TABLING OF REPORT

Mr. Benjamin: I have a supplementary, Mr. Speaker. In view of the fact that Commissioner Higgitt has made public statements in which he quoted certain portions of a consultants report which was submitted to the force and classified as an internal document, and since part of the report has now been made public by the Commissioner, will the minister table the entire report so that its entire contents may be known to this House and the public?

[*Translation*]

Mr. Goyer: No, Mr. Speaker. As the hon. member so well said, it is an internal document among others on which we are working.

[Mr. Turner (Ottawa-Carleton).]

[*English*]

Mr. Speaker: The hon. member for Selkirk on a supplementary.

Mr. Diefenbaker: Mr. Speaker—

Mr. Speaker: Order, please. The Chair has recognized the hon. member for Selkirk.

ALLEGATIONS BY FORMER CORPORAL RAMSAY—POSSIBLE INVESTIGATION

Mr. Doug Rowland (Selkirk): Mr. Speaker, my question is for the Solicitor General. In light of the fact that the article referred to by my colleague makes serious charges and that those charges must either be true, in which case there are some problems in the RCMP or false in which case the reputation of the RCMP has been unnecessarily damaged, will the minister make an investigation of the charges referred to in the article so that they can be cleared up.

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, as I said yesterday, some articles praise the work of the RCMP to the skies. I am as sceptical about them as I am of those that damn it to Hades.

My duty is to see that the RCMP meet the aspirations of Canadians, that it gives a truly honest and competent service.

[*English*]

ALLEGATIONS BY FORMER CORPORAL RAMSAY—REQUEST THAT MINISTER READ ARTICLE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I am glad to see that the hon. gentleman has become a supporter of the RCMP and is no longer trying to remove the letters R.C. I ask him this: is there not some way in which he can find the time in which to read that very critical article. I know he is busy. We see him busily occupied all the time with other things. Can we hope that by tomorrow he will be able to secure the leisure time that will enable him, even without a reading course, to read this article which is so condemnatory of a police force which should not be attacked in that way.

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, first of all, I have the highest respect for royalty, as the right hon. member knows, I do not besmirch it at every turn. Second, as far as—

[*English*]

Some hon. Members: Oh, oh!

An hon. Member: Tell us another one.

Mr. Speaker: Order, please.

Mr. Diefenbaker: I think the hon. gentleman should have an opportunity—

Mr. Speaker: May we have order, please. I am suggesting we should not have a debate. Perhaps the minister

could reply to the right hon. gentleman's question, and then there are supplementaries which we will hear.

[*Translation*]

Mr. Goyer: Mr. Speaker, when it comes to reading articles or documents I do not expect the right hon. gentleman to tell me what I should read, not anymore than he would accept to read what I would like to suggest to him.

[*English*]

Mr. Diefenbaker: Mr. Speaker, the minister has given a sawdust Caesar type of answer to Parliament. I ask him this: does he intend to read this article that is so condemnatory of the Mounted Police, instead of pretending he has not read it?

POSSIBLE AMENDMENT OF PROVISIONS OF ACT GOVERNING SERVICE COURT PROCEDURES

Mr. David Lewis (York South): Mr. Speaker, in view of the minister's answers about reading the article, may I ask him whether he has at least read the Royal Canadian Mounted Police Act?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. May we have order, please. I am sure the hon. member will appreciate that a question such as this one is entirely out of order. Perhaps he might want to ask a question that is acceptable from a procedural standpoint.

Mr. Lewis: With respect, Your Honour stopped me a little soon. I hope the minister has read the Royal Canadian Mounted Police Act because I want to ask him whether in view of the archaic, star chamber provisions in that act with respect to offences by members of the force, and the methods of trial of members of the force, he is giving consideration to amending it so as to make it more civilized than it is?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, as I said yesterday, we are conducting a review of the Commissioner of Penitentiaries Standing Orders applying to discipline within these institutions because human rights are involved, which I consider to be fundamental. As for regulations governing conduct of members of the RCMP, that is fundamental and worthy of our attention because there also human rights are involved.

[*English*]

Mr. Lewis: Mr. Speaker, in view of the fact that the minister points out that he deals with human rights, and in view of the fact that a member of the force may be charged by an officer, is then tried by an officer and his appeal is to an officer, and that he is not allowed any counsel except another member of the force—

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

Mr. Lewis: Can the minister assure the House that he is giving serious consideration to bringing amendments before Parliament to provide for a decent and modern form of charge, trial and appeal for members of the force?

[*Translation*]

Mr. Goyer: Mr. Speaker, I have already raised that issue with the Commissioner and it concerns me considerably. I have no ready solution, but I should certainly like to know the hon. member's opinion on the matter.

[*English*]

Mr. Speaker: Order, please. There are still at least six members who desire to ask supplementaries, and we have to deal with the supplementary to the original question asked by the hon. Leader of the Opposition. Perhaps we should recognize the hon. Leader of the Opposition who has a supplementary on this subject, and then I will recognize the hon. member for Portneuf.

ALLEGATIONS BY FORMER CORPORAL RAMSAY—REQUEST THAT MINISTER READ ARTICLE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I will direct my question to the Prime Minister. In view of the matters involved, would he seriously consider requesting the Solicitor General to read this article so that he will know what it is all about and then can look after the force he is supposed to look after?

* * *

[*Translation*]

NATIONAL DEFENCE

VALCARTIER—DISPARITY BETWEEN REMUNERATION OF TRADESMEN EMPLOYED ON BASE AND PRIVATE INDUSTRY—POSSIBLE READJUSTMENT

Mr. Roland Godin (Portneuf): Mr. Speaker, I have a question for the hon. Minister of National Defence.

Since workers of different trades at Valcartier military base receive some 30 per cent less in salaries than their opposite numbers in private industry in the province of Quebec, could the hon. minister tell us whether studies are now being conducted in this regard and whether he will be in a position to inform us of salary adjustments in the very near future?

[*English*]

Hon. E. J. Benson (Minister of National Defence): Mr. Speaker, the salaries of civilian personnel working for the Department of National Defence are decided through collective bargaining in the same way as the salaries of the other employees in the public service.

[*Translation*]

Mr. Godin: Mr. Speaker, is the hon. minister aware that six years ago the difference between the wages of the tradesmen and those of their colleagues in private industry was only 5 per cent?

[*English*]

Mr. Speaker: Order, please. I believe the hon. member for Edmonton Centre has a supplementary to the first question.

Inquiries of the Ministry

CANADIAN NATIONAL RAILWAYS

EDMONTON HUMP YARD—SUGGESTED LIMITATION ON HOURS OF OPERATION

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is for the Minister of Transport. Would the minister see to it that the Canadian National hump yard in the Calder, Athlone, Lauderdale and the Elm Park areas of the city of Edmonton be prohibited from operating between 11 p.m. and 7 a.m. because of the noise factor which unduly distresses the worthy residents of these areas?

Mr. Speaker: That of course is representation. Order, please. Is the hon. member rising on a point of order?

Mr. Paproski: Mr. Speaker, I gave notice of this question to the Minister of Transport, and I hoped to receive an answer for those poor senior citizens and residents in this area who would like to have this whole Calder yard transferred to the constituency of Edmonton Strathcona, where it would not do any harm.

* * *

FINANCE

EFFECT OF VALUE OF DOLLAR ON GRAIN PRICES—GOVERNMENT ACTION

Mr. Bill Knight (Assiniboia): Mr. Speaker, my question is for the Minister of Finance. In view of the fact that the par value of the dollar is having an adverse effect on grain prices, has the minister any plans to alleviate the very considerable crisis created because of the extremely low prices received by the Canadian farmer?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, prior to the new situation that arose when the pound was floated, the banks had taken action to lower their rate of interest on short-term money and certificates of deposit. That has had the effect of making short-term money rates less attractive in Canada and has affected the rate of exchange beneficially as it has gone down by one point. As I said to the House earlier, I will be talking to the provinces during the next few weeks to inquire about their foreign borrowing requirements and see if I can prevail upon them to orchestrate those requirements a little better.

SUGGESTED CANCELLATION OF CORPORATION AND PERSONAL INCOME TAXES TO STIMULATE BUSINESS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question is directed to the Minister of Finance. Since the increase in corporation and personal income taxes which were due to take place on January 1, next, would greatly reduce the effectiveness of the reduction in corporation tax as applied to the manufacturing industry, is the minister giving consideration to cancelling these two tax increases so that business in Canada will be encouraged as much as possible to expand its operations immediately?

[Mr. Speaker.]

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the corporate tax relating to that part of the business community most affected and vulnerable to international competition, namely manufacturers and processors, was cut by 20 per cent effective January 1. That will be of immense value in achieving the results that I know the hon. member desires.

• (1430)

Mr. Hees: Mr. Speaker, I agree, of course, with what the minister said. May I point out again that these tax increases greatly reduce the effect—

Mr. Speaker: Order, please.

Mr. Hees: Mr. Speaker, may I ask a supplementary question.

Mr. Speaker: The hon. member had the floor for that purpose, but he was making a speech. The hon. member should ask his supplementary.

Mr. Hees: Mr. Speaker, my supplementary is as follows: Has the minister's doctor not told him that it is dangerous to keep his head in the sand so much of the time these days?

Some hon. Members: Oh, oh!

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

INTERVIEW OF BERNADETTE DEVLIN ON FRENCH NETWORK—POSITION OF GOVERNMENT

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I wanted to ask a question to the hon. Secretary of State but, as he is absent, I shall direct it to the Prime Minister.

Recently, Miss Bernadette Devlin, Member of Parliament for Northern Ireland, was invited by the French network of the Canadian Broadcasting Corporation and she said she received high fees to give marxist opinions on the world revolution which would settle the problem of Ireland and Quebec, and this by violence.

As a taxpayer and as an hon. member, I should like to know when the government will ask the Canadian Broadcasting Corporation to refrain from inviting undesirable persons from other countries who come to Canada to pollute our airwaves and preach revolution and violence.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Secretary of State has indicated on several occasions that he was referring to the Crown corporation representations such as those made by the hon. member, but I think the Progressive Conservative party itself would object if the minister intervened too often and too directly in the internal decisions of the corporation.

[*English*]

TRADE

ALLEGATION UNITED STATES DISC PROGRAM INCREASES COMPETITION FOR CANADIAN COMPANIES

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. What steps has he taken to meet a situation which is now developing whereby some United States manufacturers are approaching Canadian merchandisers and saying that they now can compete with Canadian made goods as a consequence of receiving grants under the U.S. DISC program.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I said in the speech I made in the budget debate that we would look into particular situations. If my hon. friend can indicate one, I will look into it immediately.

* * *

PENSIONS

REQUEST FOR STATEMENT ON SUGGESTED INCREASE FOR RAILWAY EMPLOYEES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Transport. Is the minister yet in a position to make a progress report on his efforts to secure substantial improvements in railway pensions with respect to both the Canadian National Railways and the Canadian Pacific Railway?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, it is my hope and intention that I will be able to make a statement on this subject before the end of the current week.

Mr. Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. Will that statement apply to both railways, to the Canadian National and the Canadian Pacific?

Mr. Jamieson: Mr. Speaker, I can only, of course, as the minister through whom CNR responds to the House, assure the hon. member that it will cover the CNR situation. I cannot at the moment say whether it will extend to CP.

Mr. Knowles (Winnipeg North Centre): You could at least try.

* * *

FLOODS

POSSIBLE EXTENSION OF COVERAGE OF FRASER VALLEY DIKING AUTHORITY—GOVERNMENT POSITION ON NEGOTIATIONS WITH BRITISH COLUMBIA

Mr. Len Marchand (Kamloops-Cariboo): Mr. Speaker, I have a question for the Minister of the Environment. In view of the great need for vastly improved diking in many parts of the river systems of British Columbia, can the minister advise the House if he has received any representations from the government of British Columbia on this subject, especially with regard to extending the coverage of the Fraser Valley Diking Authority to other areas like Kamloops on the upper reaches of the system.

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, not as yet.

Mr. Marchand (Kamloops-Cariboo): A supplementary question, Mr. Speaker. Will the minister take the initiative and contact the government of British Columbia with a view to extending the authority of this diking corporation to cover any of the pressure spots and to prevent flooding in British Columbia.

Mr. Davis: Yes, Mr. Speaker, I am prepared to restate our suggestions along those lines.

* * *

INDUSTRY

DOMINION AVIATION—STATUS OF APPLICATION FOR DEVELOPMENT GRANT—GOVERNMENT POSITION ON STOL PROJECTS

Mr. G. W. Baldwin (Peace River): Mr. Speaker, may I direct a question to the Minister of Industry, Trade and Commerce. Some time ago I asked him about an application for a PAIT grant for Dominion Aircraft. Perhaps one of the ministers' quiet answers slipped by when I was not paying attention. May I ask the minister if this application has been rejected.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Yes, Mr. Speaker. The PAIT committee, which is an interdepartmental committee, found that it was not able to recommend support for this project. The two principal factors in influencing this decision were, first, lack of convincing evidence of financial viability of the company and, second, concentration of the development work in the U.S.A. The research and development programs of the Canadian government are for research and development in Canada.

Mr. Baldwin: A supplementary question, Mr. Speaker. Since this decision appears to confirm the government's announced intention to concentrate government assistance on STOL projects in eastern Canada, would the minister facilitate the present announced intention of the government to seek American financing in order to proceed with this project.

Mr. Pepin: Mr. Speaker, I deny emphatically the postulate involved in the question, and I suggest that my hon. friend ought to be better informed on the project itself.

Mr. Baldwin: I wonder if the minister could answer the other part of the question.

Inquiries of the Ministry

POST OFFICE

EGANVILLE—REASON FOR BILINGUAL REQUIREMENT IN ADVERTISEMENT FOR POSITION

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question is addressed to the Postmaster General and arises from strong protests from the people of Eganville, 99 per cent of whom are English speaking. Why does a current competition for position No. P.O.1349-21P, that being an area competition for a part-time job in Eganville Post Office, carry the requirement that proficiency in both official languages is essential?

Mr. Speaker: Order, please. I am wondering whether this question is not the type that might be considered at the time of adjournment. The hon. member might perhaps like to advise the House. It could more appropriately be considered at the time of adjournment.

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

* * *

[*Translation*]

AGRICULTURE

FEED GRAIN—EASTERN FARMERS SUPPLY—DISCUSSIONS BETWEEN OTTAWA AND QUEBEC ON PRICE PARITY—REQUEST FOR STATEMENT

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to put a question to the Minister of Agriculture.

A few weeks ago I asked the minister whether he would make a statement in the House concerning the supply of feed grain for eastern farmers in order to grant them prices as high as those paid to western producers. Does the minister intend to make such statement before the end of the month?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, as I said to the hon. member some time ago, we intended to have the results of a number of studies that were going on, including representations from the livestock feed users in Eastern Canada. These studies have not been completed, although they have been expected before this date. I might advise the hon. member that the market has now changed in western Canada vis-à-vis prices in eastern Canada, so that there is really no disadvantage at the moment.

[*Translation*]

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

In view of the reply the hon. minister has just given, may I ask him whether discussions on this issue are still being carried out with his Quebec counterpart even though the price of pork has improved?

[*English*]

Mr. Olson: Mr. Speaker, I have had some discussions with the Minister of Agriculture in Quebec on this subject. I think both he and I are waiting for the results of the study and the recommendations that we expect to get from the representatives of the people who are directly involved.

FEED—POSSIBLE INCLUSION OF PROTEIN CONTENT AND MINERAL PHOSPHATES UNDER FREIGHT ASSISTANCE

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, may I ask a supplementary question. On June 13 my colleague, the hon. member for Huron, asked the parliamentary secretary to the minister a question about feed freight assistance and whether a decision had been made to include feed supplements in the feed freight assistance program. May I ask if this is also part of the study and if the minister will be in position to make a statement on this before the end of the week?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, some studies have been under way. Some pilot projects for shipping high protein supplements by a more economical means to the Maritime provinces have also taken place. Answering the first part of the question briefly, it is not included in the feed freight assistance program at the moment.

* * *

GOVERNMENT ADMINISTRATION

ALLEGED CRISIS CENTRE—STAFF OF GENERAL DARE—TERMS OF REFERENCE FOR RESEARCH PROJECT—HIRING OF PEOPLE OUTSIDE PUBLIC SERVICE

Mr. David Lewis (York South): Mr. Speaker, may I address a question to the Prime Minister. He may perhaps recall that a couple of weeks ago I asked him some questions with regard to a crisis management centre and he informed us that there was no such centre, but that there was a post occupied by General Dare. He was also good enough to undertake that he would look into the matter of whether General Dare was assisted directly or indirectly by anyone else. May I ask the Prime Minister whether he has made this inquiry and whether he can tell us exactly what staff, directly or indirectly, General Dare has for the purpose indicated.

• (1440)

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, I did make the inquiries and, as the hon. member suggests, this was a few weeks ago. I think I am correct when I indicate that General Dare is the only person who is seconded to the Privy Council office to conduct this research study, but he is directly assisted by people who are seconded to him from their own departments. I believe there are four in number. They are not detached from their departments but seconded to General Dare. The terms of reference about which the hon. member also asked me have been made public since that time, and if the House so desires I will table a copy of them.

Mr. Lewis: Mr. Speaker, perhaps now that they have been made public the Prime Minister might agree to table those terms of reference.

I should also like to ask him whether he has further information as to whether General Dare, Colonel Sutherland and the others who are working directly on this project have also engaged the services of people outside the public service, members of the university staffs, and so on, to do some of the studies? Would the Prime Minister at some point make a statement to the House as to the reason for the expenditures for these studies?

Mr. Trudeau: I believe I can answer part of the question right now. I have found the memo indicating the names of the people who are seconded to General Dare and are on loan from various agencies. There is Colonel Sutherland, on loan from the Department of National Defence; Mr. White, on loan from the Emergency Measures Organization; Mr. Blackwell, on loan from the Emergency Measures Organizations, and Mr. Woodend on loan from the Defence Research Board. Two people have been retained on contracts for specific studies, namely Professor Jackson and Professor Van Loon.

As to the other part of the question, I believe the hon. member will see from the terms of reference the reasons they are working on these projects and what their terms of reference are.

ALLEGED CRISIS MANAGEMENT CENTRE—DEPARTMENT RESPONSIBLE FOR EXPENDITURES

Mr. Lewis: Could the Prime Minister inform the House whether the expenditures for this exercise come out of the Privy Council office or the Prime Minister's office? Precisely under what umbrella are these expenditures being made?

Mr. Trudeau: I believe the expenditures come from the Privy Council office. If that is not correct, I will report to the House, but I am almost certain that it is so.

* * *

ROYAL CANADIAN MOUNTED POLICE

INQUIRY AS TO OVERTIME WORK WITHOUT PAY

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, yesterday I put a question to the Solicitor General who was temporarily out of the House. Is the Solicitor General now in a position to reply to my specific question concerning the fact that members of the RCMP are sometimes instructed to work more than 300 hours a month?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, in any case the overtime payment question is being examined; it requires much time precisely because we wanted to consult the RCMP. The estimates approved by Parliament provide a sum of money that will be distributed one way or another this year until we arrive at a definite system.

[*English*]

FURTHER ALLEGATIONS BY FORMER CORPORAL RAMSAY—MINISTER'S POSITION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a supplementary question for the Solicitor General. In view of the further statement made over the weekend by ex-Corporal Ramsay in Vancouver that what was contained in the article "isn't the half of it" and:

> They wouldn't let me print all that I wanted because of libel laws.

Would the minister reconsider his position and at least talk to Corporal Ramsay and get all the evidence in the case?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, I think I said yesterday that my door is open; if there are any specific cases upon which they want to call my attention and which really are worth examining, I shall do so without delay.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

CRITERIA FOR TEMPORARY RELEASE—AVAILABILITY OF PSYCHIATRIC REPORTS IN CASE OF CHARLES HEAD

Mr. Eldon M. Woolliams (Calgary North): I have a question for the Solicitor General. It arises out of questions I asked the Minister of Justice the other day in relation to his temporary release program. The parole board, which has nothing to do with it, is getting blamed. I wish to ask him again what criteria are followed when temporary release is given to dangerous sex offenders, and particularly is a report from a psychiatrist demanded before they are released?

An hon. Member: Oh, oh!

Mr. Woolliams: Perhaps my hon. friend over there needs a psychiatrist. Is a report demanded from a psychiatrist indicating that the person is now rehabilitated and it is now safe to release him into society?

Mr. Speaker: If the minister replies to the question, I hope he will be brief because the first part of the question asked by the hon. member for Calgary North would appear to invite a rather lengthy statement. However, the minister will be recognized for the purpose of replying briefly to the hon. member's question.

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, it is a matter of guidelines given by the Commissioner of the Canadian Penitentiary Service which are used to determine whether a prisoner should be paroled or not. If the hon. member never was aware of that, I will be glad to send him a copy.

[*English*]

Mr. Woolliams: I appreciate the minister's full answer. I have another short question, Mr. Speaker. Was there a psychiatrist's report approving the release of Mr. Head, who was given an indeterminate sentence as a dangerous

sex offender, before his temporary release in the light of the fact that the parole board refused his parole?

[*Translation*]

Mr. Goyer: Mr. Speaker, I must say that the prisoner involved had 94 interviews with various psychiatrists over a period of five years. In other words, that prisoner has been receiving intensive treatment from our department.

[*English*]

Mr. Woolliams: I have one more question, Mr. Speaker. Did the particular person in question refuse to be interviewed by a psychiatrist, and was that the reason the parole board recently refused to release him? I ask the minister how he justifies the 90 interviews to which he referred when the parole board refused his release.

Mr. Speaker: Order, please. That is obviously an argument.

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

* * *

[*Translation*]

FEDERAL-PROVINCIAL RELATIONS

INCREASE IN CONSULTATION MECHANISMS—BRIEF OF QUEBEC CHAMBERS OF COMMERCE—RE-ESTABLISHMENT OF PERMANENT SECRETARIAT

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the Prime Minister.

Last week, at their annual conference, the delegates of the Chambers of Commerce sent Premier Bourassa a resolution asking him to establish mechanisms for consultation with the federal government and Mr. Bourassa replied that he felt it was essential to increase consultation mechanisms with Ottawa—

Mr. Speaker: Order, please. It seems to me that the hon. member could ask his question without such a long preamble.

Mr. La Salle: Mr. Speaker, since the Quebec premier stated that he felt it was essential to increase consultation mechanisms with Ottawa in order to avoid unnecessary tensions within federalism, would the Prime Minister indicate whether he is prepared to favour the establishment of such mechanisms?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, consultation mechanisms already exist and are used a great deal in respect of relations between the federal government and all provinces. I would be prepared, if the Chambers of Commerce are interested, to indicate to them the number of consultation mechanisms already existing. I think the record would show that we have established more of those than any previous government.

Mr. La Salle: Mr. Speaker, I have a supplementary.

The province of Quebec having made known its wishes concerning reopening of constitutional negotiations, is the Prime Minister in a position to indicate whether he intends to re-establish the permanent secretariat responsible for federal-provincial conferences?

[Mr. Woolliams.]

Mr. Trudeau: Mr. Speaker, the secretariat is still in existence. Only, the staff has been reduced. If the province of Quebec really wants to submit specific proposals with a view to reopening the debate and recalling federal-provincial conferences, we will consider doing so.

* * *

• (1450)

[*English*]

AGRICULTURE

CATTLE—REQUEST FOR STATEMENT ON METHODS TO AVOID LOSS OF ANIMALS IN TRANSIT

Mr. R. E. McKinley (Huron): Mr. Speaker, I have a question for the Minister of Agriculture. It concerns the meeting which was held last Friday between the Humane Society, representatives of the railroad companies and officials of the Department of Agriculture in order to determine what progress is being made in new methods of shipping cattle from western Canada to eastern Canada which will avoid severe losses such as occurred last fall. Does the minister believe the situation will be better this fall?

Hon. H. A. Olson (Minister of Agriculture): Of course, we can never predict precisely what the weather will be like next winter. Last year there were some unfortunate coincidences involving severe weather, the difficulty of getting cars through certain railroad terminals, and so on. We hope all of these problems can be avoided.

* * *

CANADIAN PACIFIC RAILWAY

DIFFICULTIES WITH SHIPMENTS FROM SUDBURY TO CHAPLEAU—REQUEST FOR REPORT

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I have a question for the Minister of Transport. Has the minister discussed with the Canadian Transport Commission and the Canadian Pacific Railway the difficulties which have arisen in connection with the shipment of products from Sudbury to Chapleau in areas served solely by the CPR?

Hon. Donald C. Jamieson (Minister of Transport): If the subject matter is the one the hon. member and I discussed the other day, may I say that I thank him for his letter, which I received over the weekend. I have passed it to the Canadian Transport Commission with a request for a full report which I will then pass on to the hon. member.

* * *

FISHERIES

LOBSTERS—POSSIBLE EXTENSION OF SEASON FOR DISTRICT 7B

Mr. Melvin McQuaid (Cardigan): Mr. Speaker, my question is for the Minister of Fisheries. In view of the fact that the lobster fishermen in District 7B were delayed for

approximately two weeks because of ice conditions at the beginning of the season, is it the intention of the department to extend the season beyond the June 30 deadline?

Hon. Jack Davis (Minister of the Environment and Minister of Fisheries): The department is looking into this matter. I will give the hon. member an answer as soon as I have made inquiries.

* * *

AGRICULTURE

FOWL SLAUGHTER PROGRAM—REQUEST FOR PROGRESS REPORT

Mr. Murray McBride (Lanark-Renfrew-Carleton): Mr. Speaker, my question is for the Minister of Agriculture. It has to do with the federal program of fowl slaughter now under way to improve the egg prices paid to farmers. Will the minister be making a progress report on this program by way of a statement on motions before the House rises at the end of June?

Hon. H. A. Olson (Minister of Agriculture): No, Mr. Speaker, I did not intend to do so. However, I can advise the House that this program will be terminated today because we have reached the objective of reducing the flock by about one million birds.

* * *

LABOUR RELATIONS

QUEBEC—LONGSHOREMEN'S STRIKE—ALLEGED BOYCOTT OF ARBITRATION PROCEEDINGS BY UNION

Mr. Raymond Rock (Lachine): Mr. Speaker, I wish to direct a question to the Acting Minister of Labour arising from the labour dispute in the Port of Montreal. Since the arbitration hearings have so far been boycotted by the union, what action does the government intend to take before the recess, if the boycott continues, in order to get the Port of Montreal back into operation?

Hon. Bryce Mackasey (Acting Minister of Labour): I understand the judge in question has announced that he will proceed with the arbitration hearing tomorrow, if necessary on an ex-parte basis.

* * *

[*Translation*]

AGRICULTURE

FOWL SLAUGHTER PROGRAM—REQUEST TO EXTEND DEADLINE FOR GRANTS

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I wish to direct a supplementary to the Minister of Agriculture concerning the policy on slaughtering fowl.

Since on June 8 the minister announced that subsidies would vary in so far as the objective would be attained within a period of eight weeks or less and since many producers of my area have not been able to claim that subsidy—

Mr. Speaker: The hon. member is making a speech when he should ask a question.

Mr. Laprise: Mr. Speaker, could the minister indicate how he can grant the same benefits to producers who have not yet applied for this subsidy?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): I recognize that this is a problem, but we did announce at the time the program was initiated that when the total flock had been reduced by an appropriate amount it would be terminated whether that process took four weeks, six weeks, eight weeks, or any other period. There has been a very significant improvement in egg prices and now we have reached the point in numbers at which the objective of flock reduction has been attained.

* * *

NATIONAL DEFENCE

HALIFAX DOCKYARD—REQUEST FOR REPORT ON ACCIDENT

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question to direct to the Minister of National Defence. It concerns the two tragic deaths in the Halifax dockyard the other day. Can the minister tell us whether the inquiry, which I know must be taking place, has produced any evidence of negligence to date?

Hon. E. J. Benson (Minister of National Defence): No, Mr. Speaker. I have received no report on the inquiry in this case.

* * *

HOUSE OF COMMONS

PRESENCE IN SPEAKER'S GALLERY OF NORWEGIAN MINISTER OF DEFENCE

Hon. E. J. Benson (Minister of National Defence): Mr. Speaker, I should like to call attention to the presence in the gallery of a distinguished parliamentarian, the Minister of Defence of Norway.

Some hon. Members: Hear, hear!

GOVERNMENT ORDERS

FAMILY INCOME SECURITY PLAN

MEASURE TO PROVIDE BENEFITS IN RESPECT OF CHILDREN

The House resumed consideration of Bill C-170, to provide for the payment of benefits in respect of children, as reported (with an amendment) from the Standing Committee on Health, Welfare and Social Affairs and Motion No. 9.

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

Division

Some hon. Members: Question!

Mr. Speaker: Is it the pleasure of the House to adopt the said motion? Those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Call in the members.

The House Divided on Motion No. 3 (Mr. Marshall) which was negatived on the following Division:

• (1500)

(*Division No. 43*)

YEAS

Messrs:

Alexander
Alkenbrack
Asselin
Baldwin
Barnett
Beaudoin
Bell
Benjamin
Bigg
Brewin
Burton
Cadieu
Carter
Danforth
Diefenbaker
Dionne
Fairweather
Flemming
Forrestall
Fortin
Gauthier
Gilbert
Godin
Grills
Gundlock
Hales
Harding
Harkness
Hees
Howe
Knight
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Bellechasse)
Lambert (Edmonton West)
Laprise
Latulippe
Lewis
Lundrigan
MacDonald (Egmont)
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacKay
MacLean
Macquarrie
McCleave
McCutcheon
McGrath
McIntosh
McKinley
McQuaid
Marshall
Monteith
Muir
Murta
Nesbitt
Noble
Nowlan
Nystrom
Orlikow
Paproski
Peddle
Peters
Ritchie
Rock
Rodrigue
Rowland
Rynard
Simpson
Southam
Stanfield
Stewart (Marquette)
Tétrault
Thomas (Moncton)
Thomson (Battleford-Kindersley)
Winch
Woolliams—77.

[Mr. Speaker.]

NAYS

Messrs:

Allmand
Andras
Badanai
Barrett
Béchard
Beer
Benson
Blair
Blouin
Borrie
Breau
Buchanan
Caccia
Cafik
Chappell
Chrétien
Clermont
Cobbe
Corbin
Corriveau
Côté (Longueuil)
Cullen
Cyr
Danson
Davis
Deachman
Deakon
De Bané
Drury
Dupras
Duquet
Forest
Forget
Francis
Gendron
Gervais
Gibson
Gillespie
Goode
Goyer
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Hellyer
Hopkins
Howard (Okanagan Boundary)
Hymmen
Jamieson
Jerome
Kaplan
Kierans
Lachance
Langlois
Laniel
La Salle
Leblanc (Laurier)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Loiselle
MacEachen
Mackasey
McBride
McNulty
Mahoney
Major
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Morison
Munro
Noël
O'Connell
Olson
Osler
Otto
Ouellet
Pelletier
Penner
Pepin
Portelance
Pringle
Prud'homme
Richard
Robinson
Rochon
Roy (Timmins)
Roy (Laval)
Serré
Sharp
Smerchanski
Smith (Saint-Jean)
Stafford
Stewart (Cochrane)
St. Pierre
Sullivan
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Walker
Watson
Weatherhead
Whicher
Whiting—110.

• (1520)

Mr. Speaker: I declare the motion lost.

The division is now on motion No. 9.

The House divided on motion No. 9 (Mr. Knowles, Winnipeg North Centre) which was negatived on the following division.

(Division No. 44)

YEAS

Messrs:

Barnett
Beaudoin
Benjamin
Brewin
Burton
Dionne
Fortin
Gauthier
Gilbert
Godin
Harding
Hellyer
Knight
Knowles (Winnipeg North Centre)
Lambert (Bellechasse)
Laprise
Latulippe
Lewis
MacInnis (Mrs.)
Nystrom
Orlikow
Peters
Rodrigue
Rowland
Tétrault
Thomson (Battleford-Kindersley)
Winch—27.

NAYS

Messrs:

Alexander
Alkenbrack
Allmand
Andras
Asselin
Badanai
Baldwin
Barrett
Béchard
Beer
Bell
Benson
Bigg
Blair
Blouin
Borrie
Breau
Buchanan
Caccia
Cadieu
Cafik
Carter
Chappell
Chrétien
Clermont
Cobbe
Corbin
Corriveau
Côté (Longueuil)
Cullen
Cyr
Danforth
Danson
Davis
Deachman
De Bané
Diefenbaker
Drury
Dupras
Duquet
Fairweather
Flemming
Forest
Forget
Forrestall
Francis
Gendron
Gervais
Gibson
Gillespie
Goode
Goyer
Gray
Grills
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Gundlock
Hales
Harkness
Hees
Hopkins
Howard (Okanagan Boundary)
Howe
Hymmen
Jamieson
Jerome
Kaplan
Kierans
Knowles (Norfolk-Haldimand)
Lachance
Lambert (Edmonton West)
Langlois
Laniel
La Salle
Leblanc (Laurier)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Loiselle
Lundrigan
MacDonald (Egmont)
MacEachen
MacInnis (Cape Breton-East Richmond)
Mackasey
MacKay
MacLean
Macquarrie
McBride
McCleave
McCutcheon
McGrath
McIntosh
McKinley
McNulty
McQuaid
Mahoney
Major
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Marshall
Monteith
Morison
Muir
Munro
Murta
Nesbitt
Noble
Noël
Nowlan
O'Connell
Olson
Osler
Otto
Ouellet
Paproski
Peddle
Pelletier
Penner
Pepin
Portelance
Pringle
Prud'homme
Richard
Ritchie
Robinson
Rochon
Rock
Roy (Timmins)
Roy (Laval)
Rynard
Serré
Sharp
Simpson
Smerchanski
Smith (Saint-Jean)
Southam
Stafford
Stanfield
Stewart (Cochrane)
Stewart (Marquette)
St. Pierre
Sullivan
Thomas (Maisonneuve-Rosemont)
Thomas (Moncton)
Tolmie
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Walker
Watson
Weatherhead
Whicher
Whiting
Woolliams—159.

Division

Mr. Speaker: I declare the motion lost.

Hon. John C. Munro (Minister of National Health and Welfare) moved that Bill C-170, to provide for the payment of benefits in respect of children, as reported (with amendments) from the Standing Committee on Health, Welfare and Social Affairs, be concurred in.

Motion agreed to.

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

Some hon. Members: Now.

Mr. Speaker: By leave now?

An hon. Member: No.

Mr. Speaker: Next sitting of the House.

Some hon. Members: Now.

Mr. Speaker: It requires unanimous consent and since there is not unanimous consent, the bill cannot be given third reading now.

Is the hon. member rising on a point of order?

Mr. Bell: Mr. Speaker, I understood that you put the request that, by leave, we move to third reading.

Mr. Speaker: The Chair did this and it required unanimous consent. There was one member who objected. Perhaps hon. members wish me to inquire again.

Some hon. Members: Hear, hear!

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Yes.

An hon. Member: No.

Mr. Speaker: Hon. members have heard the no as well as I did.

* * *

• (1530)

FARM CREDIT ACT

AMENDMENTS RESPECTING LOANS AND POWERS AND CAPITAL OF CORPORATION

The House proceeded to the consideration of Bill C-5, to amend the Farm Credit Act, as reported (without amendment) from the Standing Committee on Agriculture.

Mr. Speaker: Order, please. The discussions and conferences taking place should be held outside the curtains so that we may proceed with the work of the House.

I should point out that motion No. 1 would appear to be acceptable on procedural grounds. Motion No. 2 would appear to be defective in that it would seem to insert a financial provision in the main act that is not covered in the bill that is before the House. Of course, hon. members will be given the opportunity to offer their advice to the Chair on the procedural aspects of this motion.

Section 23 of the main act relates to the making of regulations with respect to the Farm Credit Act. However, it might be better if we do not go into this aspect of the matter now, and instead proceeded with motion No. 1. Whenever we reach motion No. 2 the Chair will hear hon. members on the procedural aspects of the motion.

Mr. Baldwin: Mr. Speaker, I am prepared to move motion No. 1 on behalf of the hon. member for Vegreville (Mr. Mazankowski). I would point out, however, that because of the arrangements that were made, assuming we would be proceeding with the other bill hon. members who are keenly interested in this bill are presently involved in committee proceedings. We hope they will be here for the purpose of debating this motion, but at the moment I am prepared to move it on behalf of the hon. member.

Mr. Speaker: Mr. Baldwin, for Mr. Mazankowski, seconded by Mr. Hees, moves motion No. 1 as follows:

That Bill C-5, an act to amend the Farm Credit Act, be amended by deleting lines 8 to 15 on page 1 thereof and by substituting therefor the following:

"(1.1) The corporation has all the powers necessary to carry out such duties or functions in relation to the administration of any agricultural program as is assigned to it pursuant to any other act of the Parliament of Canada."

Some hon. Members: Question.

Mr. R. E. McKinley (Huron): Mr. Speaker, is the minister going to make a statement of any kind on this bill?

Mr. Olson: Mr. Speaker, without repeating the substance of the argument that took place on an amendment which, if not identical certainly was similar to this one in its substantive parts, was moved in committee I would point out that such an amendment was defeated in committee.

Mr. McKinley: Mr. Speaker, at this short notice, not anticipating that the bill would come up until tomorrow, I would like to attempt to explain what this motion means. Clause 1 of the bill really does not have much to do with the Farm Credit Act as such, but simply gives the governor in council any authority necessary to carry out any provisions it may wish to have carried out with respect to the small farm development program announced by the government more than a year ago.

During the committee hearings we received representations from two provincial ministers of agriculture and from the Canadian Federation of Agriculture and the National Farmers Union. All these representations expressed reservations at Parliament handing the government the type of power provided in clause 1 of the bill. They contended that it was not necessary for the Farm Credit Corporation to carry out additional duties as provided in this bill through amendments to the Farm Credit Act.

The amending bill increases the amount that an individual borrower may obtain from $40,000 to $100,000. We do not quarrel with that. Many farmers are waiting for this bill to be passed so they can make use of the additional funds available and we do not quarrel with the increase in the ceiling to $100,000. In fact, the Canadian Federation of Agriculture told the committee it would like to see the ceiling raised to $250,000.

We contend that it is entirely unnecessary to put in clause 1 sweeping power to carry into effect the small farm development program, particularly when the minister and his officials are unable to give us any indication of how that program will be carried out and which farmers will be eligible. The federal government has been negotiating with the provinces in an endeavour to reach agreement on the provincial departments of agriculture supplying all the personnel to administer the program. I point out that many of the provinces already have their own programs. Ontario makes very effective use of the ARDA program, the cost of which is shared 50 per cent by the province and 50 per cent by the federal government, and the administration is carried out by the province. Ontario has some concern that the small farms development program put on top of ARDA will mean a considerable mix-up.

Some of the western provinces have also initiated their own programs, and they have been completely unable to come to agreement with the federal government on the authority that clause 1 of the bill would give to the Farm Credit Corporation. Those are the principal reasons this motion has been moved, that is, to prevent giving the governor in council a great deal of power when it does not yet know what use will be made of it.

• (1540)

We feel that when the small farm development program is spelled out to Parliament, hon. members might be willing to go along with this additional power. However, we do not think the power should be granted without further

explanation. That is why this amendment is moved, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order—as a matter of fact, probably two points of order, but I shall deal with them both at the same time. First of all, in view of the fact that this piece of legislation is before the House unexpectedly, I wonder if word has been communicated to members who are attending a meeting of the Standing Committee on Agriculture. I suspect that there may be some members attending that meeting who will be surprised and who would want to be here.

My second point of order concerns the proceedings for the rest of the day. I know, of course, that I could speak personally with the government House leader about what would take place after this, but I believe all hon. members are entitled to know what the order of business will be when we finish dealing with the farm credit legislation.

Mr. MacEachen: Mr. Speaker, my understanding is that information has gone to the committee advising members that this bill is now before the House. When this bill is cleared I shall call the Canada Labour Code.

Mr. Horner: I rise on the same point of order, Mr. Speaker. It is all very well to advise the committee on agriculture that this bill is being discussed, but there are amendments before the House on the bill which are the result of committee study. I think the government House leader (Mr. MacEachen) should either ask the agricultural committee to suspend its sitting while this bill is being discussed in the House, so that members can participate, or he should call the Canada Labour Code and stand this bill until tomorrow.

It was my understanding that the Canadian Wheat Board would appear before the committee for today only. I might add that it was the practice in the past to study the annual report of the Canadian Wheat Board each year, but today the committee must study four annual reports. I am not in any way linking the four annual reports to the term of office of the present government. I am sure it is not necessary to mention to the Minister of Agriculture (Mr. Olson), who knows the prominent part that the Canadian Wheat Board plays in the welfare of Canadian farmers generally, that he might use his good offices to ask that this bill stand so that the annual reports of the Canadian Wheat Board can be dealt with.

Mr. Olson: Mr. Speaker, on the point of order, the government whip has indicated to the chairman of the agricultural committee that this bill is now before the House. While I have no authority to suggest or demand that they suspend their hearings in order to attend in the House for the consideration of Bill C-5, I did suggest that they could consider suspending their sitting while these two amendments were being dealt with.

Mr. Horner: On the same point of order, Mr. Speaker, we were told this morning that the Wheat Board would stay today in Ottawa, meet with representatives of the other place tomorrow morning and then return to Winnipeg, I imagine tomorrow afternoon. If the committee proceedings this afternoon were suspended, I believe the four annual reports would not be adequately scrutinized. I do not think that the government House leader or the Minister of Agriculture would like to shoulder the responsibility for that important body not being fully examined, particularly when wheat, barley and oats are selling at the lowest price in history.

Mr. Knight: Mr. Speaker, may I say that I agree with the hon. member for Crowfoot (Mr. Horner) on this point, though I seldom do agree with him. The Wheat Board report was brought before the committee and we went only once around the table for a ten-minute discussion and three or four members did not have the opportunity to ask questions. Many of us wished to put further questions to the Wheat Board this afternoon.

As the hon. member for Crowfoot pointed out, this is the first opportunity we have to look at the four reports of the Canadian Wheat Board, a body which affects every farmer in western Canada. If we are to deal with this matter in the House at a time when the committee is sitting, we should consider whether we are limiting the very important discussion that should be going on in committee with the Canadian Wheat Board as well as the very important discussion that should be going on in this House on the Farm Credit Act.

Mr. MacEachen: Mr. Speaker, if the committee now in session wished to suspend its sittings, it could resume at five o'clock and make up the hour that would be taken of the hour and ten minutes from now until private members' hour, so both objectives could go forward at the same time without prejudice to the wheat farmer.

Mr. Baldwin: Mr. Speaker, I would point out that we are getting into the area of diminishing returns because in the atmosphere which now prevails it is most unlikely that consent would be given to third reading of the farm credit bill today, and amendments which are not now being discussed as actively as they might be could be the subject of third reading amendments. The minister is well aware of this. The result would be the same. I am sure the minister, with that flare for compromise which marks his presence here today, would be quite prepared to agree to suspend these proceedings and go on with the Canada Labour Code.

Some hon. Members: Why not?

Mr. MacEachen: Mr. Speaker, we are not adamant about remaining on this item, but it was my understanding that we would move to it when we had completed third reading of the Family Income Security Plan. That possibility was removed by the failure of one member of the House to give unanimous consent—

Mr. Knowles (Winnipeg North Centre): On your side.

Mr. MacEachen: —and we were obliged to move to this item. I would be quite happy to call the Canada Labour Code, but hon. members opposite may not be ready to cope with it at the moment.

Some hon. Members: We are ready.

Mr. MacEachen: I do not want to create any difficulty by calling that item, but if it is agreeable and if the mover of the first amendment is ready, then I would call it and hope the minister would return to the House as quickly as possible. In the meantime, his parliamentary secretary would stand in for him.

Mr. Baldwin: We are prepared to do that, Mr. Speaker. The member of our party who has moved the amendment is here, as would other hon. members have been had it not been for this very important meeting. I think it would be conducive to good management and would facilitate the business of the House if we were to move to the Canada Labour Code.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we are prepared to talk on either the farm credit bill or the Canada Labour Code, but if the switch is made to the latter I should like to reserve some rights about the order of the amendments, in view of the fact that one or two of our members are not in the chamber at this point because of the change of plan effected by a certain member on the other side of the House.

• (1550)

Mr. MacEachen: Mr. Speaker, we could consider the Canada Labour Code.

Mr. Deputy Speaker: Order, please. Is there unanimous consent that we not continue at this time with Bill C-5.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. MacEachen: Mr. Speaker, if the other parties are ready to proceed with the Canada Labour Code, we could proceed with it. Apparently there is some willingness to consider the Canada Labour Code. If not, we could possibly ask for third reading of the Family Income Security Plan.

Mr. Knowles (Winnipeg North Centre): But the minister is not present.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I notice that the House is now faced with problems. I have listened most carefully to all the points of order and to the questions of procedure that have been raised.

I can understand perfectly the stand taken by the members of the committee on agriculture, especially by those interested in the Canadian Wheat Board. It is abundantly clear that the House is anxious to deal with Bill C-5, an Act to amend the Farm Credit Act, and also with the proposed amendment to that bill.

So far as we are concerned, we are willing to vote in favour of the motion to adjourn our proceedings on Bill C-5, and to revert to consideration of bill C-183, an Act to amend the Canada Labour Code.

I express the hope that the last motion introduced will carry unanimously, and we are willing to vote for it.

[*English*]

Some hon. Members: Agreed.

[Mr. MacEachen.]

Mr. Deputy Speaker: Is there unanimous consent to adjourn this debate?

Some hon. Members: Agreed.

Mr. Knight: Mr. Speaker, I rise on a point of order. Since it has been decided that we are not at present to continue consideration of the farm credit bill in view of difficulties occasioned by hon. members having to attend the agricultural committee, may I on behalf of my party ask the government House leader to assure us that after the Canada Labour Code has been dealt with the farm credit bill will be brought back to the House.

Mr. MacEachen: Mr. Speaker, it is our intention to give the farm credit bill high priority.

* * *

CANADA LABOUR CODE

AMENDMENTS RESPECTING INDUSTRIAL RELATIONS, LABOUR RELATIONS BOARD, INDUSTRIAL INQUIRY COMMISSIONS AND CONCILIATION BOARDS

The House proceeded to the consideration of Bill C-183, to amend the Canada Labour Code, as reported (with amendments) from the Standing Committee on Labour, Manpower and Immigration.

Mr. Lincoln M. Alexander (Hamilton West) moved motion No. 1 as follows:

That Bill C-183, an act to amend the Canada Labour Code, be amended by deleting lines 1 to 29 on page 1 thereof and striking out the words "Now Therefore," where they appear in line 1 on page 2 thereof.

He said: Mr. Speaker, one can see what happens when the government backs down from an original position and attempts to bring in legislation at the last minute. The government has had a whole year—

An hon. Member: No, four years.

Mr. Alexander: —in which to bring in this particular piece of legislation. That is irresponsible, since hon. members who may wish to debate this bill have not been given sufficient notice. Notwithstanding these difficulties, we will debate the bill since we on this side can face almost any situation. We are certainly prepared to proceed.

The purpose of this amendment is quite obvious, I think. It seeks to remove from the bill the preamble as printed. If we reflect for a moment upon the entire collective bargaining process, we will have valid reason for thinking that many people, those covered by union-management arrangements and those not so covered, question the efficacy of the collective bargaining process. I say that because the port of Montreal, in Trois-Rivières and Quebec City no one seems to be concerned about the provisions of the Canada Labour Code as now in effect. The law, apparently, is being flouted and collective agreements are being flouted.

Some hon. Members: Shame!

Mr. Alexander: Apparently the government does not know what to do even though the public interest is being

adversely affected to the tune of $1 million a day. This is a conservative figure and applies to the city of Montreal. When we consider all the categories of goods and materials that must move across this country, including wheat from our western provinces, we recognize, I submit, that this type of preamble is not one that we can accept. I respectfully suggest for my party that we cannot accept the premises embodied in this preamble.

I shall read the second paragraph of the preamble. I object to sentences or words which lead to an improper conclusion with regard to the entire area of labour-management relations. The paragraph I refer to reads:

> And Whereas Canadian workers, trade unions and employers recognize and support freedom of association and free collective bargaining as the bases of effective industrial relations for the determination of good working conditions and sound labour-management relations—

I take issue with the idea that freedom of association and free collective bargaining are the bases of effective industrial relations. This idea, to me, is wrong in principle. Surely it would not take one long to find an example showing that freedom of association and collective bargaining did not play any role whatever in good industrial relations and in industrial peace. I am referring specifically to Dominion Foundries and the Steel Company of Canada.

In addition, reflecting on the total problem we will realize, I submit, that this bill affects only about 538,000 employees who come under federal jurisdiction. If my memory serves me right, approximately one-third of this country's work force is involved with freedom of association clauses and collective bargaining. In other words, two-thirds of the workers of this nation are not involved with unions or with management; neither unions nor management are involved in decisions regarding industrial peace.

We take exception to this preamble. We have tried to make the bill more meaningful by indicating that freedom of association and collective bargaining in total are merely one of the facets, one of the bases, to use the language of the preamble, underlying effective industrial relations. Why could the government not say, "Although we are most zealous with respect to the entire collective bargaining process, we admit that factors other than collective bargaining can lead to industrial enlightenment and peace." Management and labour together can work together for the benefit of the entire work force. Together, unselfishly, they could work for the benefit of the entire economy of the country, bring about security of tenure under the wage structure and deal with the whole gamut of matters in which management and labour are usually involved.

For some reason, however, the government says, "We cannot allow this sort of thing because freedom of association and collective bargaining are the bases of good industrial relations." Surely upon quick reflection, and much more so on profound reflection, one cannot admit that. We say that if we are to be responsible and attempt to bring about industrial peace, which is the basis of this bill, we must start on the proper premise, and the proper premise does not allow a preamble such as this.

• (1600)

Another objection I have to the preamble is that those who will have to deliberate, who will come before the conciliation board, the arbitration board or the Canada labour board will invariably look to the preamble for guidance. I say that this is wrong. I say that the bill should speak for itself and I see no reason for a preamble such as we have here. I know why the preamble was put in. An agreement was made between the government and the union as the result of a compromise and it was decided to put in clause 149. I respect the action of the government in that regard. But I say, give us a break and put in a preamble indicating the worth of the collective bargaining process and freedom of association leading to industrial peace.

Let us consider where the preamble is placed. As I see it now, it is in part V of the Canada Labour Code which is the part which deals with industrial relations. I do not know whether this preamble will be in the middle or at the front of the Canada Labour Code. This will mean that when one peruses such legislation one will have to look for the preamble in order to ascertain what it is all about and the principle behind it.

I say that we must question the collective bargaining process; it does not seem to be working because labour and management have not been bargaining in good faith. Secondly, they have taken inflexible positions. Thirdly, they should make full and complete disclosure. It seems to me that the whole process should be built upon these three criteria, which at present it is not. I see the hon. member across the way smiling. I could not reach him in committee and I do not know whether I am reaching him now.

I say that so long as the collective bargaining process is as it is today—it is under severe questioning in regard to the postal strikes, the Montreal port strikes and the NABET strike—it leaves much to be desired. It is questioned to such an extent that many people are asking the government to accept public responsibility and to become involved because the collective bargaining process is breaking down. I know that the minister will have much to say about this matter, but the position of the government is that even though the collective bargaining process is breaking down, freedom of association and collective bargaining are the bases of effective industrial relations. I say they are not, because other things are involved which this preamble does not recognize.

To go further would be repetitious, Mr. Speaker, but I hope I have given sufficient reasons for the House to reach the conclusion that this type of manoeuver should be questioned because, as has been said, it is doing neither harm nor good and since this is the case it should be wiped out. I hope that when other hon. members have commented on this motion the minister will give us the reason for the preamble being included, why it is so lengthy and what he hopes to accomplish by it. Will this preamble in fact make the collective bargaining process useful? Will it improve it? I say that it will not.

I hope that hon. members understand what I say and will give credit where credit is due. This bill wipes out two-thirds of the work force, the non-unionized work force, by referring specifically to those who are unionized.

This is supposed to be the basis for reaching industrial peace. This I refute.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I listened very carefully to the remarks of the hon. member for Hamilton West (Mr. Alexander) regarding the preamble of this bill. On reading it, I find that it is like motherhood: I cannot see anything wrong with it, but I agree that it does not carry much weight. It appears to be just a reiteration of what is generally accepted as being the requirement of collective bargaining and the right to free association. Therefore, I wonder if the hon. member would not be prepared to accept an amendment which would put this into clause 1 instead of removing the preamble. I have been unable to understand why the hon. member wishes to remove it.

One of the problems we have in Canada today is that the government is involved in this legislation to the extent of about half a million employees out of a total of five million organized workers in the country who are involved in collective bargaining. This means that 10 per cent are in government service. One of the difficulties we are having, not only in terms of what is happening in the federal government but in provincial and municipal governments, is that in most cases a new principle must be stated in the preamble which would allow collective bargaining in the government services, because to all intents and purposes it is non-existent on the municipal, provincial or federal level.

In any negotiation the two parties should bargain in good faith, eyeball to eyeball. Certainly no negotiations carried on with the federal Treasury Board are eyeball to eyeball. In most cases when difficulties arise, in the final analysis the cabinet intervenes and makes a decision which in the first place should have been reached through the collective bargaining process. This is true also in the municipal field, and one of the charges that is being levelled is that there has been a failure in negotiations between management and labour as a result of which there have been many strikes, particularly in Toronto, Montreal and Vancouver resulting, in some cases, in garbage piling up higher and higher day by day. In these cases negotiations have continued until a crisis situation has been reached and a strike has taken place.

• (1610)

We should strengthen the preamble of the bill and adapt it to modern needs. The power given to the minister to intervene, through a mediator, at an early stage in negotiations which involve the public interest will go some way toward meeting one of the problems which face us. So far, the public seems to have been left out; they appear to have no say in collective bargaining, though the result may affect them in many ways. My own view is that authority for the intervention of a mediator should be set out in one of the operative clauses of the bill.

I do not know why the committee decided to delete the preamble. The purpose would probably be better served if it were strengthened and if supplementary provisions were written into the body of the legislation. Lawyers, it has been said, have never found themselves able to interpret the preamble of a bill as having any legal force, anyway.

[Mr. Alexander.]

There should be contained in the legislation and referred to in the preamble a provision obliging both parties in dispute in the public service sector to negotiate in a meaningful way toward the compromise which is normally reached when two parties arrive at a contract. But the government has failed to negotiate in good faith with its employees in any of the major conflicts which have developed in recent years. They failed to negotiate honestly with the air traffic controllers, for example, or with the postal employees. Nor were negotiations in good faith carried out with the striking government employees in Quebec.

At yet another level, no meaningful bargaining took place between elected representatives and the strikers in major cities demanding a better reward for garbage collection. A similar situation has arisen in Ontario where the hydro dispute is still in progress. The workers are, in fact, not negotiating with anybody. It is true they have held meetings with officials, but those officials are not empowered to make decisions in the absence of further consultation.

In most cases it is only after a long and damaging strike that negotiations eventually take place between the workers and people who until then have not been involved in the negotiations in any way. It is not sufficient to deal with departmental heads. There are limits beyond which they cannot go, and as soon as they have made their counterproposals to union demands the negotiations have been completed as far as they are concerned.

I would be prepared to move that this preamble be included in clause 1 of the bill and that additional amendments be submitted to the minister, or by the minister to eliminate deficiencies in the negotiating process of which the hon. gentleman is surely aware. If the mediator who is appointed under this legislation to sit in on the negotiations is a man of any calibre at all, he will advise the minister that the heads of government departments and agencies are not carrying on meaningful negotiations and that changes must be made. The general public is aware that in most of the major strikes recently in the public service, the employees, whether municipal, provincial or federal, have not received an adequate response to their proposals and that meaningful negotiations have not, in fact, taken place.

I strongly urge the minister to make the changes which he, together with almost every Canadian who reads the newspapers, knows to be necessary. In the absence of such changes untold hardship is being caused both to workers and to the general public. The object should be to give a fair deal to the half-million citizens who must negotiate through the type of legislation which is before us and who give leadership to another four million who negotiate with boards, agencies and corporations in which the public has an indirect degree of ownership.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I want to deal with one particular matter in speaking to the amendment moved by my hon. friend from Hamilton West (Mr. Alexander). I wish to encourage the Department of Labour and the government generally to broaden their vision and see that Canadian working conditions and standards are adhered to in the coastal waters of Canada. My reference will be to the Commonwealth Mer-

chant Shipping Agreement as it relates to collective bargaining and living conditions on vessels which operate in coastal waters. The ship I have in mind sails between Nova Scotia and Newfoundland, but other ports are affected as well.

• (1620)

The British Commonwealth Merchant Shipping Agreement received support from this chamber on June 8, 1934, a day otherwise marked by the fact that one Mitchell Hepburn resigned from the chamber. Mr. Manion asked, "Where does he go from here?" and Mr. Hanbury replied, "He is going to be the next premier of Ontario". That forecast was an exact one. Then followed a couple of private bills, and then the debate on the Canada Shipping Act, which is found at page 3812 and subsequent pages of *Hansard* of that date.

The Commonwealth Merchant Shipping Agreement was a replacement, thanks to the Statute of Westminster, of British statutes that formerly had some application in Canada. In other words, this was an important measure in the Canadian process of growing up as a nation. The Commonwealth Merchant Shipping Agreement was signed by the United Kingdom, Canada, Australia, New Zealand, the Union of South Africa, the Irish Free State and Newfoundland and laid down the main lines along which legislation should be enacted in the different dominions.

There are ten parts to the agreement, dealing with common statutes in ownerships, uniform standards of safety, extraterritorial operation of laws, equal treatment for all ships registered in the British Commonwealth, internal discipline, engagement and discharge of seamen, standards of qualification for officers, shipping inquiries and courts, relief and repatriation of seamen, offences on board ship, and general provisions related to the implementation of the agreement. The agreement also provided that changes could be made to it, but oddly enough only one change has been made to the agreement, and that at the instance of Canada about ten years ago. However, the change is not relevant to the argument that I should like to make. The library of Parliament has provided me with the information I have so far given the House.

On looking at the Commonwealth Merchant Shipping Agreement one finds that under part III, which deals with the extraterritorial operation of laws, article 9 provides:

> Save as otherwise specially provided in this agreement, the laws relating to merchant shipping in force in one part of the Commonwealth shall not be made to apply with extraterritorial effect to ships registered in another part unless the consent of that other part of the Commonwealth has been previously obtained:—
>
> Provided that nothing contained in this article shall be deemed to restrict the power of each part of the Commonwealth to regulate the coasting trade, sea fisheries and fishing industry of that part.

What I have read so far is an enumeration of the matters covered by the Commonwealth Merchant Shipping Agreement. One will readily note that, viewed from the standards applicable today, the agreement is remarkably silent in that nowhere does it mention wages and other benefits to which people working in Canada are accustomed nowadays. For example, workers are accustomed today to being paid reasonable amounts. They are accustomed to receiving reasonable holidays. They are accustomed to such reasonable fringe benefits as workmen's compensation, unemployment insurance in the event they are laid off, and so on. But those who drew up the Commonwealth Merchant Shipping Agreement predated the present era and that agreement is remarkably silent on such matters.

My intervention in this debate will be a very brief but I think important one. It is to point out to the minister that there are ships in our waters manned by crews that are not used to the same standards of living as Canadian workers. I can supply the names of the countries from which these crews come, but I think that might give some colour to my speech that I certainly do not intend. What I am more interested in is to see that, wherever they come from, since these people, in effect, work in Canada and visit Canadian ports—

Mr. Deputy Speaker: Order, please. I would ask the hon. member whether he is able to satisfy the Chair that his remarks are relevant to motion No. 1 now before the chamber. If the hon. member would so indicate, I would be pleased to hear him.

Mr. McCleave: Mr. Speaker, I understand that motion No. 1 deals with the preamble to the bill, which lays out the entire purpose of this legislation. The point I am trying to make to the minister is that in envisaging how this measure will be applied, he stop not at the coastal boundaries of Canada but also consider how ships operating within the Canadian coastal trade are living up to Canadian labour law or, rather, through some technicality are trying to get around Canadian labour law.

If my remarks are considered in order, Mr. Speaker, I can put my argument very briefly. I was pointing out that under the Commonwealth Merchant Shipping Agreement there is nothing to restrict the application by the Canadian Department of Labour of Canadian standards of wages and working conditions to those who man ships registered under the Commonwealth Merchant Shipping Agreement, seamen who are paid wages vastly different from those that any Canadian seaman worth his salt would put up with. This is my request to the minister. I think I have founded my argument sufficiently, and when the minister replies would he say whether his department will look at this particular situation.

Mr. John Burton (Regina East): Mr. Speaker, I think it is useful to include a preamble such as this in the bill. I listened to the remarks of the hon. member for Hamilton West (Mr. Alexander) and I must confess that his reasoning with regard to why the preamble should be omitted from the bill escaped me. I think it is very useful to have in the preamble to the bill a reference to the past history of labour legislation in Canada.

There may be some dispute about the facts of the matter as stated in the first paragraph of the preamble. Whatever be the adequacy of legislation in terms of encouraging the free collective bargaining process and the constructive settlement of disputes, as the first paragraph states, there may be some argument whether this process has always been carried through. Nevertheless,

there has been a history of attempts to make progress in this direction.

The second paragraph of the preamble states that Canadian workers, trade unions and employers recognize and support freedom of association and free collective bargaining as the bases of effective industrial relations for the determination of good working conditions and sound labour-management relations. I think it is useful to include that paragraph in the preamble. Again, there may be some argument about the facts of the matter; certainly some of the correspondence that I receive from employers indicates that that is not their point of view. Many employers do accept this principle, but I am sure the minister and hon. members will agree there are some who do not, which makes it all the more important that in enacting a piece of legislation such as this there be set forth very clearly the basic premise and principle upon which the legislation is based.

The third paragraph links the action we are taking through the vehicle of this bill with the conventions of the International Labour Organization, and I submit this recognition is very important. The fourth paragraph refers to the necessity of encouraging and developing further legislation toward the ends described. I think all this is very good and useful, but there are a couple of points which deserve further consideration. It is very useful to have this sort of statement set out in the bill. I do not question the motivation of those who want to remove it, but the only possible motivation that makes sense to me is a desire to weaken the legislation and the effectiveness of the labour code as it may be enacted by this Parliament.

• (1630)

The first point of concern to me is that in looking at the structure of this bill I find that the preamble is nothing more than that—a preamble to the bill. It does not establish clearly that it will be a preamble to the act or any part of the act. The operative portion of the bill commences at the end of the preamble, or after the portion which the amendment would delete. So there seems to be a very real question which the minister should clear up, that is, whether the preamble as contained in the bill will find its way into any consolidation of the act that is printed or into the revisions of the act when it is again revised. Will it be considered an integral part of the Canada Labour Code as amended by this bill? That is an important point for clarification.

There is another point which I think should be considered. It was raised by the hon. member for Timiskaming (Mr. Peters) who pointed out that there have been discussions about the preamble and asked whether it is in fact to be part of the act. The suggestion has been made that a preamble in many instances is sort of a "motherhood" statement. I do not wish to trespass in the area of the law because that is not my field of expertise. I know the minister had the assistance of very competent and able draftsmen and other experts in preparing this bill. Certainly I do not want to take away from their skills in any way. Nevertheless, there are some questions that need answers.

When the foreign takeovers review bill was before the committee on finance, of which I am a member, there were some discussions about a particular clause. I assure you, Mr. Speaker, that I am relating my remarks to the amendment now under consideration. In the foreign takeovers review bill clause 2 sets out the purposes of the legislation and it is nothing more nor less than a preamble which indicates what the bill is about and why it is being enacted. When the bill was before the committee there was some question as to why it was not a preamble. At that time the legal advisers who appeared before the committee stated that a preamble does not have any effect in law, and that there are a number of important cases which show that a preamble is not taken into account in deciding a case before the courts.

Mr. Alexander: But they look at them.

Mr. Burton: They may look at them, but as I understand the situation a preamble does not have any bearing on the decision in a case. The judge looks at the sections of the act under consideration. That is what has to be taken into account. It was pointed out that when you have a statement in a clause of a bill which sets out the purpose of the legislation, then legal precedents support the argument for taking such statement into account. In fact, if a statement similar to the one contained in this preamble is set out in a section describing the purpose of the act, when a case comes before the courts the judge must take account of that section. It seems to me that this matter deserves further consideration.

The suggestion of the hon. member for Timiskaming, that in fact it would be desirable to amend this preamble in such a way that it would be included as a clause of the bill or as part of the act should be given further thought by the government. It should be included at a suitable place in order that it would have greater effect than would appear to be the case in the manner in which it has been incorporated in this bill. I hope these two points receive further consideration by the minister, and I hope he will comment on them.

One further reason for having a statement in the bill such as is contained in this preamble, either in the form it is now or in the form of a separate clause, is that it would be a reminder to the government that it needs to pull itself up by its own bootstraps in conducting labour relations in a more effective, open and efficient way than it has done to the present time. If we are to have free collective bargaining operating as it should, and as stated in this preamble, the government should set out something of an example rather than carrying on the kind of negotiations it conducts at this time.

When the government often makes completely meaningless offers, and in some cases no offers at all, to employers carrying on negotiations it cannot expect a piece of legislation such as this to operate in an effective manner across the country. If this bill is to mean anything, the government itself must show some leadership and create a better record than it has in carrying on relationships with public employees. I hope this point receives consideration by the government.

I have not entered the debate on amendments to the labour code up to this point, but I want to indicate very

clearly that I support the efforts made to improve the process of collective bargaining. I accept the principle of free collective bargaining in carrying on labour-management relations. In my own constituency of Regina East there exist many collective bargaining agreements, some of which come under the jurisdiction of the federal Department of Labour and others under the jurisdiction of the department of labour of the province of Saskatchewan.

There has been a long history of peaceful and amicable relationships between employers and employees in Saskatchewan and negotiations have been carried on in good faith. It seems to me we must assure a greater degree of acceptance by the public of the principles stated in this preamble, by employers, members of trade unions and other workers. Certainly members of trade unions accept this principle, but we need greater acceptance by some employers.

As I indicated previously, many employers do not accept these principles and do not operate on the basis of good faith. If we are to experience an improvement in industrial relations in Canada we must move in the direction suggested by this bill. Surely the proposals and questions I have raised should receive consideration by the minister. I hope they will lead to further improvement in the legislation, resulting in a better labour code for Canada.

Mr. Charles H. Thomas (Moncton): Mr. Speaker, I should like to speak briefly of the proposed amendment. When Bill C-183 first made its appearance as the successor of Bill C-253, one of the most noticeable differences was that the new bill contained a preamble not found in the original bill. I immediately asked myself why there was this departure from normal procedure and what was the purpose of the preamble. After reading the preamble I still could not find a valid reason; I could not understand any purpose to be accomplished by the preamble. It began to become self-evident that the only reason for its inclusion was as a half-hearted response to the recommendations of the Woods task force that the government make some definite commitment on the side of the collective bargaining system.

• (1640)

It is interesting to note that the Woods Report certainly gives half-hearted endorsation to the bargaining process. The report stated, in effect, that while the present system has many limitations and shortcomings, it is necessary and the best thing available at the present time. In an interesting aside, however, the report indicated that the present system has already tended to complicate the attainment of some of the country's goals. I believe it is obvious that what the task force was referring to was that, even though there is a general acceptance that the collective bargaining process is good and probably the best system so far designed, there is a growing disenchantment with the process as used by management, labour and government. The fact is there is an increasing feeling in the country that what should probably be of primary concern, the public interest, is being completely overlooked in the collective bargaining process as we see it practised today.

Previous speakers have referred to the delinquencies of bargaining agencies of the government, and the fact that many accusations have been hurled at the Treasury Board about their lack of good faith in bargaining. It seems to me, from the little I know of collective bargaining, that it breaks down completely unless there is good faith on the part of the parties involved. I would think, therefore, if the preamble was intended to strengthen the collective bargaining process there should have been something in the preamble or the bill itself to achieve this purpose. In reading through the many briefs the one which struck me particularly was that presented by Bell Canada. I thought the statement on the preamble was very good. I should like to read it into the record:

I find the preamble excessively positive when it proclaims the universal acceptance of freedom of association and free collective bargaining as the—

The word "the" is underlined.

—basis of industrial relations for the determination of good working conditions and sound labour-management relations. While this company and its employees are committed to collective bargaining, a very substantial portion of the work force is not so committed, and the public is becoming increasingly disenchanted with the impact of widespread strikes. I believe Canada's best interests would be better served if all concerned parties concentrated on improving an imperfect system rather than extending its scope.

• (1650)

One of the things that disturbed me and other members of the committee as we listened to the various presentations was that it became very evident that there is a growing distrust between labour and management. I felt we had been making considerable progress in the mechanics of labour-management relations and it was very upsetting to discover that the old cat-and-mouse game was still being played. Labour did not trust management, and vice versa.

The employers felt that the provisions in the bill regarding technical change were tough and would tend to handicap management in negotiations with employees. On the other hand, employees said these provisions should be tougher. In effect they said, "We don't trust the employer. He will not operate with the interests of his employees at heart." Therefore, it seems to me that if this preamble is to be of any use it must have something in it that will improve the present system of bargaining. The preamble presently refers to the act but it sets out something that really is not in the act. The last paragraph of the preamble reads:

And Whereas the Parliament of Canada desires to continue and extend its support to labour and management in their co-operative efforts to develop good relations and constructive collective bargaining practices, and deems the development of good industrial relations to be in the best interests of Canada in ensuring a just share of the fruits of progress to all—

Then we go into the body of the bill. To me that paragraph would imply that this legislation is introducing something new to improve the collective bargaining process, and that that process should be sustained as the best method of settling disputes. But many of the people who appeared before the committee took the opposite viewpoint. They said that this bill, instead of improving relations between the two parties, would tend to worsen them. I have mentioned a couple of the provisions to which they

referred, such as that dealing with technological change, the clause regarding supervision and the broadening of the legislation to include many more people.

They said that these provisions, instead of making it easier to bargain in good faith, would worsen the already deteriorating relations between employer and employee. Therefore I would say that the preamble, if it is intended as the government's wholehearted endorsation of the collective bargaining process, does not do what it is intended to do. Even though collective bargaining is probably the best means we have of settling disputes between the two sides, the process depends on the good faith of the negotiating parties. I believe that at the present stage of the game there is a third party which should be involved in collective bargaining but which in most cases is completely ignored.

So many strikes have such far reaching effects on the public that I believe the public must become a third party to the collective bargaining process. It should no longer simply be a matter of employer and employee trying to divide up the spoils between them. The public must be considered. Therefore I believe there should be something in the preamble, or in the body of the bill, setting out the government's position on how the public interest should be looked after in cases of employer and employee disputes.

I feel that the present preamble is unnecessary. It does not accomplish anything; in fact, the wording in certain parts of it may tend to worsen relations between employer and employee. Therefore I feel that the amendment should be supported and that the preamble should be deleted from the bill.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, colleagues of mine who have preceded me have made it clear that we are not opposed to the language that is contained in the preamble. Granted, it is largely language, but like motherhood it has our support. However, we feel that if the declarations in the preamble to the bill are to have any value, they should be contained in the bill itself. Everyone present knows that we got catapulted into this debate rather unexpectedly, and instead of some roaming around in the library as I had hoped to be able to do in the next day or so, I had to do that rather hurriedly in the last half hour.

I find there are at least two interesting examples which I should draw to the attention of the Minister of Labour (Mr. O'Connell) in the hope that he will find his way clear to follow them. Perhaps I had better do this before somebody else draws attention to it, Mr. Speaker. I should admit that these are pieces of legislation, one of which was brought in by the Hon. J. W. Pickersgill, and the other by the Hon. Judy LaMarsh, but even those two former ministers had to be right once in a while.

In the case of the National Transportation Act which was brought in by the Hon. J. W. Pickersgill there was included what amounts to a preamble but which was cast in the form of a declaration of principles. If one looks at the annual statutes for 1966-67, chapter 69, he will find that section 1 starts:

It is hereby declared—

Then much wording follows, which is obviously the language of a preamble. The point I wish to make is that that was put in as section 1 of the act and is therefore in the act after the words:

Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows—

In other words, it is legislation. I also looked into the Revised Statutes of 1970 to see what happened to this piece of legislation and I found that the only change that the revising officers made was to make what was section 1 of the act, as passed in the House, section 3 of the act as contained in the Revised Statutes.

In a moment I shall give another example. I point out now that in the other example the declaration also was transferred and made section 3. Without doing any great amount of research, I think the answer is quite clear, namely, that the revising officers sought to establish some consistency with respect to laws which they put into the Revised Statutes, and their pattern seems to be that section 1 is the title of the act, section 2 is the interpretation section which gives the various definitions and then, where there is a declaration of principles, it appears as section 3.

The other example is the Broadcasting Act which was passed in the 1967-68 session. There, again, one finds at that time as section 2, "It is hereby declared that . . ." Then there follow lettered paragraphs down to and including (j). Again, these were in the nature of a preamble, but they were section 2 of the act and therefore they are part of the legislation, with legislative effect. Again the change that was made by the revising officers was to make section 2 of the act, as passed by Parliament, section 3 in the Revised Statutes. Again I suggest that that is simply because of a consistent pattern obviously sought by the commissioners.

A while ago the Minister of Labour did not know the answer to a question put to him by one of my colleagues, but I think the answer is quite clear, that words which are just preamble will disappear when the act gets into the Statutes of Canada. After all, all we do when we pass an act is to enact what follows after the words "Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows."

I therefore suggest that if this bill stays as it is, the words that are there by way of preamble will disappear when the bill becomes an act in the Statutes of Canada. Certainly, if they do not disappear in the annual statutes they will disappear when they get into the next revision, whenever that takes place.

One is always wise, in this kind of presentation, to look for any exceptions that test the rule or any exceptions that the other side might throw at you. Accordingly, I looked up the Canadian Bill of Rights to see what had happened in that case. As hon. members will recall, when the Minister of Finance (Mr. Turner) was minister of justice and tabled the Revised Statutes of Canada for 1970, he pointed out that the Canadian Bill of Rights was being put in a special category. That means that it takes a little looking to find it. But at least I found it. And I now find it is five o'clock, Mr. Speaker.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: Order. It is my duty, pursuant to Standing Order 40, to inform the House that the following questions will be raised tonight at the time of adjournment: the hon. member for St. John's East (Mr. McGrath)—Textiles; the hon. member for Vancouver-Kingsway (Mrs. MacInnis)—Consumer Affairs—Increase in Cost of Food; the hon. member for Richmond (Mr. Beaudoin):—Pensions—Old Age Security.

[*Translation*]

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely public bills, private bills and notices of motion.

[*English*]

PRIVATE MEMBERS' PUBLIC BILLS

ENVIRONMENTAL COUNCIL OF CANADA

MEASURE TO ESTABLISH

Mr. Tom H. Goode (Burnaby-Richmond Delta) moved that Bill C-12, to provide for the establishment of an environmental council of Canada, be read the second time and referred to the Standing Committee on National Resources and Public Works.

He said: Mr. Speaker, hon. members will recall that during the third session of this Parliament I introduced a bill very similar to the one we are discussing today. That bill was debated in the House on December 10, 1971.

• (1700)

The bill which I bring before you this afternoon has been strengthened and clarified as the result of some of the constructive criticism encountered in the previous debate. The principle, nevertheless, remains the same, an independent environmental council of Canada must be established. In general, it must advise and recommend the means by which Canada can achieve the highest standards of environmental quality and the lowest levels of pollution. In particular, it must assess the medium-term and long-term prospects for the Canadian environment. It must consider all means of improving our environment. It must advise government what policies will best help to attain and maintain a pollution free environment. It must study the economic impact of environmental policies and devise means of diminishing any negative aspects of this impact. It must encourage consultation and co-operation on environmental matters between all segments and sectors of our society. Furthermore, and perhaps most important, it must have the authority to make its findings and recommendations public and let the chips fall where they may.

Some persons, Mr. Speaker, will ask why I proceeded with this bill when the Minister of the Environment (Mr.

Davis) has already announced establishment of the Canadian Environmental Advisory Council, which held its first meeting on 10 May. The answer to that is simple. The advisory council is ultimately responsible to the minister. The members of the advisory council are appointed by him. No matter how much the minister may protest that the body he has set up is independent, there will always remain a lingering doubt about its objectivity. What is more, there is no provision for the minister's advisory body to make their recommendations public. They report to him and him alone.

Speaking in the House on March 21, 1972, the Minister of the Environment stated that he personally did not see the need for an independent environmental council "whose advice is not necessarily practical under the circumstances". I recall, Mr. Speaker, that somewhat the same charge was levelled about a year ago at the Economic Council of Canada. It was suggested then that the council's goals were unreasonable or idealistic because the economy had not measured up to them. The reply at that time by the retiring chairman of the Economic Council of Canada, Mr. Arthur J. R. Smith, was this:

> The council has deliberately refused to accept the view that poor actual progress toward higher standards of economic performance should per se be accepted as a reason for lowering its sights on the objectives toward which we should, as a nation, seek to strive over the medium term future—

Likewise, Mr. Speaker, I submit that too much emphasis on the so-called practicalities of the antipollution struggle could result in a tendency to lower our standards when we should be raising them. It could, in fact, be used as an excuse for inaction.

In the House last December, I expressed my strongly held view as follows:

> There is always a place for independent evaluation of existing governmental policies and practices. An over-all view is necessary because of the natural tendency of those who have been involved in the creation and administration of policy to lose the ability to assess objectively the effectiveness of those policies. They tend to become blind to the need for new departures. The Economic Council has sought to satisfy such a need in the area of economic policy. An environmental council would do the same in the field of ecology. Being independent, the environmental council would be in a position to freely criticize government policy, should this be necessary, and bring new views concerning general or particular policies and programs to the attention of those who must bear the ultimate political responsibility for them.

As the bulletin of the Canadian Wildlife Federation pointed out last year, Mr. Speaker, no matter what merit the minister's Canadian Environmental Advisory Council might have:

> —it would be no substitute for an independent environmental council studying issues much broader than the responsibilities of any one department of government and reporting publicly on its findings and recommendations.

The movement for the establishment of a truly independent environmental council of Canada has widespread support. Amongst the supporters are the Science Council of Canada, the New Democratic Party, the Progessive Conservative party and the Liberal party of Canada.

In its report entitled "This Land is Their Land", the Science Council called for the establishment of an environmental council of Canada to:

Environmental Council of Canada

—conduct and publish studies and forecasts of environmental problems in Canada, and make analytical reviews of environmental questions which are the subject of public interest. It should strive to become a major source of informed opinion on environmental problems.

The New Democratic Party spokesman on environmental matters, the hon. member for Kootenay West (Mr. Harding), has many times stated his party's support for the setting up of an environmental council of Canada. I believe the most recent occasion was in this House on March 21, 1972, when he said:

The function of the council would be to report on environmental affairs and to give guidance to both the government and the general public on all environmental problems. It would be a non-political organization, with adequate facilities to do a thorough job in the whole field of the environment. The establishment of such a council is long overdue and would be welcomed by Canadians generally.

The Progressive Conservative party, too, supports the proposals. An official background paper prepared for the annual meeting of the Progressive Conservative Party of Canada on December 5-7, 1971, states that such a council is needed:

—to advise the Canadian government and Parliament and the Canadian public about particular environmental matters and to recommend on a continuing basis both specific short term and long term measures for pollution abatement.

In taking this stand, the Conservatives were following the lead of the 1970 policy conference of the Liberal party of Canada which overwhelmingly voted for a resolution urging the government to:

—establish an independent National Council of Environmental Quality, representative of a broad spectrum of interests, to analyse environmental problems and the government's response, to recommend environmental objectives for Canada and policies necessary to achieve them and to report annually on the state of our environment.

Therefore, Mr. Speaker, we have a situation in which the measure which I am presenting today has the support of the New Democratic Party, the Progressive Conservative party, and the Liberal party of Canada. It is difficult to see how opposition to this measure could arise this afternoon. The people of Canada will be watching closely. It is not enough to refer to the achievements of Stockholm, although they were many and the Canadian delegation played an outstanding role. It is not enough to list the antipollution measures enacted by this government, even though we have done more in four years than has been done in the past 100 years. We cannot—we must not—allow ourselves the luxury of basking in the glow of past accomplishments. We must continue to advance in the battle for an unpolluted environment. Mr. Speaker, the passage of this bill can provide one important step in that advance.

Mr. W. M. Howe (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I should like to congratulate the hon. member for Burnaby-Richmond-Delta (Mr. Goode) for bringing this matter to the attention of the House.

The Acting Speaker (Mr. Laniel): Order, please. I have to remind the hon. member that he is not occupying his own seat. He would have to move a few feet closer to the chair if he wishes to continue his remarks.

[Mr. Goode.]

Mr. Howe: I am sorry, Mr. Speaker, but these seats in the front row are a little confusing. I congratulate the hon. member for bringing forward this matter. A great many experts and people knowledgeable in the field of the environment warn us that not much time is left unless we come to very serious grips with this problem.

• (1710)

I want to speak about two particular areas. I feel that an environmental council such as is proposed could have done much good last year when the government brought before this House the clean water bill. At that time we asked the government to retain the formula that had been included in the Navigable Waters Protection Act whereby dams and projects involving conservation areas were dealt with in a certain manner. The cost was split three ways.

The hon. member for Kamloops-Cariboo (Mr. Marchand) earlier today asked the Minister of the Environment (Mr. Davis) if his department could assist in the building of further dams and dykes in order to prevent more flooding of rivers in the hon. member's constituency. If the former piece of legislation had been in force, the formula would have been available and could have been used. If an independent environmental council had been in existence last year when this House was considering the clean water bill, it could have given advice on matters such as that raised by the hon. member and it would not be necessary for every problem involving water to give rise to negotiations. We ought to have retained in the clean water legislation the formula included in the Navigable Waters Protection Act.

Let me refer to the Grand River conservation program which is now in effect and has been for the past few years. A new program is coming forward which involves the Speed River that flows to Guelph. It is absolutely necessary for the program to be undertaken; however, the province and local municipalities must pay the total cost. Because the Grand River eventually flows to the St. Lawrence Seaway, I maintain that the federal government ought to pay 37.5 per cent of the cost of the new conservation program which is absolutely necessary on the Grand River.

I wish to raise another important point. I refer to the government's decision with regard to the second international airport at Toronto. If an environmental council of Canada had been established when the airport was first being considered, it could have advised the government. Being an independent body, it could have told the government that there is good farmland in the area of the proposed airport. It could have said that the airport would create only an asphalt desert, and there are too many such deserts particularly in southern Ontario.

An independent environmental council which both the province and the federal government could consult on problems of this kind might give rise to better decisions. Instead of suggesting that the airport be at Pickering, it might have suggested that it be built in Amaranth township, near Orangeville, where the farmland perhaps is not as good as in Pickering township. We talk about pollution and preach about anti-pollution measures yet, we do not

do as we say; we make decisions such as this which will affect the Toronto area.

Mr. Leonard Hopkins (Renfrew North-Nipissing East): Mr. Speaker, in beginning my remarks on Bill C-12 I wish to congratulate the hon. member for Burnaby-Richmond-Delta (Mr. Goode) for bringing forward this matter. The explanatory note of the bill says that the purpose of the bill is the establishment of an environmental council of Canada which would be charged with the responsibility of advising and recommending the means by which Canada can achieve the highest possible standards of environmental quality and the lowest possible levels of pollution. When we think of pollution of the environment, we think of the air and emphasize forestry, land and water. The end result about which we are concerned is the quality of life of the people themselves.

About one year ago the hon. member for Burnaby-Richmond-Delta introduced Bill C-25. That was during the third session of this Parliament. That bill sought to establish a Canadian environment week during October. The bill was considered by the Standing Committee on National Resources and Public Works which I chaired. It was indeed a pleasure to co-operate with the hon. member at that time.

Mr. McCleave: He is a good boy.

Mr. Hopkins: I enjoyed the co-operation of the opposition, including that of the hon. member who said the hon. member is a good boy. I must emphasize one thing when we talk about national parks and the cleaning up of the major water basins of this country. Some time ago this House passed the Canada Water Act. Mr. Speaker, I will continue speaking on this subject until we get some action.

Mr. McCleave: Hear, hear!

Mr. Hopkins: There must be additional funds for the cleaning up of our water basins. What the Canada Water Act says is good. It is one of our best pieces of legislation. However, something must be done in addition to what the act prescribes. The act says that the polluter must pay. As I said before, in many areas of this country the polluter no longer exist, but pollution remains. Therefore, it behooves the various levels of government of this country to come forward with funds to assist in the cleaning up of the environment and to allow the citizens of Canada to enjoy a better quality of life.

I wish to speak specifically of water basins which are covered by the Canada Water Act. This subject is pertinent in discussing the bill before us. There are, in many of the water basins of Canada, deadheads; they are leftovers from the old logging drives of the past 125 to 150 years. We are looking back in Canadian history. The Ottawa River is a perfect example of what I mean. Many hon. members of this House have asked questions about pollution of the Ottawa River emanating from the E. B. Eddy Company across the river. Yet I have not heard many questions or speeches in this House that deal with the hundreds of miles of river beyond Ottawa.

Few in this House have dealt with the hundreds of miles of waterways in this country which could be developed into excellent tourist areas. Some groups are interested in lifting logs out of our rivers. These logs could be used for commercial purposes. To back up my statement, Mr. Speaker, may I say that I know of a small group of people who lifted a birch log out of the river. Obviously, it was to have been used for the manufacture of birch veneer 86 years ago. It turned out to be a very profitable piece of timber for it produced, I think, 1,000 board feet of lumber. Normally about 20 logs would be needed for such a quantity.

This program is not being backed at the present time by any government department. I contend that funds ought to be allocated, either through the Department of the Environment and Fisheries or through the Department of Manpower and Immigration under its manpower programs, for assisting companies to begin operations on such waterways in order that we may clear them and promote the tourist and recreational industries of Canada.

Why should there be government assistance for such programs? The answer is very simple. It takes a large amount of capital to start a company which could operate in this area. First, it would need to buy equipment and hire men, and even though men might be paid $100 a week it would still take time to lift these large logs out of the water and transport them to sawmills or veneer plants and manufacture them into wood products. Then, these products are shipped to the market and the company has to wait 30 or 60 days to realize a return on its capital. During that time there are wage and operating costs to meet. This has proven to be a helpful measure, and once these companies are on their feet they can operate on their own.

• (1720)

If we are going to discuss the environment, we should give serious consideration to cleaning up our waterways. We talk a lot about pollutants from various chemical substances, but there are certainly more practical things that have to be done on our waterways. As well as improving the quality of life by cleaning up our waterways, we should create parks. Many people can get very emotional about this, but we must approach this idea rationally, without emotionalism. We must go about it in a factual and well-planned manner.

You will recall that about three years ago there was a Sunday night CBC program which alleged that Algonquin Park in the upper Ottawa valley was being raped and destroyed by the forest based operators in that area. I personally visited that area and the local people took me to the spot where the CBC had their cameras set up, which was in the bottom of an old gravel pit that J. R. Booth dug some time in the 1880's or 1890's to supply gravel for the bed of his railway line through Algonquin Park. I also found out that the producer of the program was the past president and director of the Audubon Society of Canada and a former employee of the CBC. The people of Canada deserve something better than this if they are to contribute to the costs of such programs. If we want to promote the improvement of the environment in Canada let us put the facts before the Canadian people, not our personal, biased views.

Environmental Council of Canada

During the past several months a group in the district of Nipissing, and in the county of Timiskaming on the Quebec side of the river, have been working strenuously toward creating Canada's first interprovincial national park. This park would be located between Mattawa, Ontario and Timiskaming, Quebec. Before the national parks people in the department of Indian Affairs and Northern Development can complete this project they must have approval from both the provinces, Quebec and Ontario. We brought this idea into focus for another reason. As Canada's first interprovincial national park, it would be a unifying force between the two most populated regions in Canada. Since the park would be located on both sides of the border between the two provinces, it would automatically attract people from the large urban areas in the southern part of both Quebec and Ontario, as well as other people right across Canada. It would be a mistake to create a park on one side of the river only. I want to see this done on an interprovincial scale.

This park would be the first interprovincial park in Canada where people of various ethnic origins could meet together on camping grounds and recreational sites, thus getting to know one another in an atmosphere of leisure rather than in the atmosphere of confrontation which so frequently appears in newspapers, on television and through other media. A group of people rented a railway passenger car, attached it to the back of a freight train leaving Mattawa and invited both federal and provincial officials as well as people from Quebec to go to the town of Timiskaming. From there they went back by bus to the Ontario side, to Mattawa. This took place on Thursday, May 18. On May 19, we chartered two aircraft from the North Bay airport and gave these people a complete tour of the area on both sides of the Ottawa river where the park is to be located. Everyone agreed that this was an excellent project. Now, I call upon the provinces and the Department of Indian Affairs and Northern Development to get together and make this a reality. My remarks on this park project are very closely related to the remarks I was making at the beginning because the Ottawa river, which is one of the river basins listed under the regulations of the Canada Water Act, flows right through this proposed national park.

There is another aspect of this project which we should consider seriously if we are really interested in a good environment for our people, and it does not rest entirely on the shoulders of the federal government any more than does the creation of a national park. I have always felt that we have not made enough use of the ARDA program which involves local, provincial and federal governments. We have large areas of land in this country which are presently being farmed. The farms are marginal or less than marginal. It would be of far greater benefit to the future forest-based resources of this country if we could bring about ARDA agreements between the local, provincial and federal governments to start a massive reforestation program. This would also have an effect on the human environment in that area.

There are idealists who feel that you can take people off farms in this country, enroll them in adult training courses and train them to adapt to a new way of life in an urban, industrial society. I think it has been proven time and time again that this is impractical because it is very difficult to convert these people, who are used to the great outdoors and to living in a clean environment, to an urban life and expect them to be contented. If this program were to be pushed to the limit, it would create social problems and injustices rather than be of advantage to these people. However, through ARDA programs we can bring about the rejuvenation of the areas in which these people live. I am referring to people who make perhaps $1,200 or $1,500 a year from their farms and barely exist. If we can reforest such areas through ARDA agreements and hire local people to do the work, we will not only be doing them a service but we will be doing the future generations in Canada a service by improving our forest-based resources for which Canada has become so famous.

Recently, I had occasion to visit the Black Forest area in Germany which is about 15 miles wide and 60 miles long. Here is a perfect example of the forest industry and tourist and recreation business living side by side. I do not agree that it is impossible for industry, recreation, tourism and conservation to be tied in together. With good planning this could be done.

• (1730)

We often hear it said that there ought to be no roadways through our parks. Well, there are 1.6 million old age pensioners in this country who have retired and who wish to enjoy their leisure. Is it fair to them to say, "I want to carry my canoe through this territory and I do not want any roads built there"? Is it fair to leave these 1.6 million people standing by, looking at a wonderful tourist area which they cannot enter? We could block out areas suitable for them. We could block out areas suitable for those who want untouched forest territory, completely deserted areas through which they could travel in their canoes if they wished. By approaching the question in a rational rather than an emotional manner we could learn to live together.

I read an interesting article on idealism the other day. It said, among other things, that ideally government exists solely to serve the people, and the civil service exists solely to advise the government. Some people say that basic political intelligence is relayed to the government by representatives of the people who have been elected to this House. It is not new, of course, for mass meetings to be held in constituencies across this country at which public figures, elected representatives, appear.

Moreover, this is a new age in communications and this is where the pressure of opinion originates and strengthens until finally things are done. For example, meetings have been held in both Ontario and Quebec on the interprovincial national park proposal I have discussed. This involves Members of Parliament being absent from the House if they are to contribute in this way to a better environment.

I hope the news media will, in all fairness, recognize that on many occasions such as this it is necessary for Members of Parliament to be absent from the House for legitimate reasons, trying to get programs off the ground in their constituencies, keeping in touch with constituents, and so on. In this way, public servants and Members of Parliament can get together and learn to know one another. It seems to me that discussion is one of the simplest

things, one of our cheapest products, yet it is often neglected.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but his time has expired.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, it is a pleasure to have an opportunity to speak on Bill C-12, an act to provide for the establishment of an environmental council of Canada. Our party has been calling for such a council for a long time. On two occasions we have moved amendments in the House and in committee calling for such a council. In fact, going through my files I found an amendment of ours dated February 9, 1971, which was directed to Bill C-207 and the substance of it reads:

That the minister of the environment shall create an environmental council of Canada whose task will be to:

(a) conduct and publish studies and forecasts of environmental problems in Canada

(b) make analytical reviews of environmental questions which are of public interest

(c) advise the federal and provincial governments in the area of pollution prevention and clean-up

(d) advise particular ministries as to the interrelationship between resource development and environmental protection

(e) advise as to the need for specific environmentally oriented research

That amendment was turned down by the government. I cannot recall much support being forthcoming from some of the members who are suggesting that the bill before us today should be passed. Frankly, I am very much in favour of it.

There is no doubt that Canada is in need of an environmental council. I am not thinking in terms of a council which is attached to a department or to the government. Such a body should be established along the lines of the Economic Council. It should be completely divorced from the political field. It should have power to check carefully into various environmental concerns which face our nation, and it should report regularly. It should have a strong research staff. It should report without fear or favour and recommend what action governments should take to ensure threats to the environment are dealt with.

Very often, members of this House and the general public do not possess the necessary background with which to evaluate the environmental issues which are brought to their attention. A body such as an environmental council could play an important role in such an evaluation. We just do not have the advantage of a non-political source of expertise, though such an organization is urgently required in this day and age. It was with these thoughts in mind that we urged the Minister of the Environment (Mr. Davis) to accept our proposal that an environmental council be set up at the time the re-organization bill was going through the House.

• (1740)

I know that we have a council of some sort attached to the department, but here again it is under the control of the government and will not do the type of research or make the recommendations that one would expect from a completely independent council. For that reason I endorse the legislation currently before the House. I might add that there are several sections of the bill that perhaps should be altered. Nevertheless, the idea is good and I am pleased to see the hon. member at least interested enough to bring it before the House for debate.

I understand that two or three other members wish to speak on this very important matter, and though there are other things I should have liked to say, may I in closing reiterate that our group is in favour of the bill. If the bill is not acceptable to the government, the least the government can do is to give serious consideration to setting up an environmental council, if necessary by amending some existing legislation. In any event, let us move toward the establishment in Canada of an environmental council. We need it, and it is one of the best ways to get at the root of some of the major clean-up problems confronting the nation.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I too will shorten my speech since others want to speak in support of Bill C-12, to set up an environmental council. By coincidence, only yesterday I received 14 or 16 letters from a grade 5 science class in the village of Hillsborough in the constituency of Fundy-Royal. My hon. friend who proposed the bill anticipated for me very neatly a way in which to illustrate to the House the interest of young Canadians in the subject of pollution.

As is often the case, letters from youngsters are much more direct and succinct than those written by adults. As I say, these letters were written by a grade 5 science class, composed of Linda Smith, Patricia Lockhart, Jeffrey Wilson, Edward Jonah, Jeffrey Irving, Donna Milton, Dale Ryder, Kelvin Rose, Timothy Taylor, Kim Eagles, Sheldon Steeves, Lisa Hopper and Lloyd Branscombe.

Mr. Corbin: Great Canadians.

Mr. Fairweather: We may laugh at this, but each of these youngsters has an interest in the subject and their views are equal to any others who are taking part in this debate today. I will see whether the House does not agree with me by quoting three of these letters.

Mr. Deachman: I rise on a point of order, Mr. Speaker. I just want the hon. member to know that members on this side of the House are not laughing at him but are thoroughly enjoying, with him, the pleasure of putting these youngsters' names on the record.

Mr. Fairweather: Mr. Speaker, I do not hide the fact that I am putting these children's names on the record. I think children who are interested enough in the procedures of Parliament are entitled to the processes of Parliament. If the hon. member has any doubt about that, let him listen. Linda Smith writes:

Something should be done about the oceans and seas. They are full of pollution. Soon the marine life (animals) will die and we'll be sick. People do what they want because the sea is big and there is room for pollution in it. They are putting sewage, garbage and oil in it. Please do something about this or the same thing will happen to our beaches and lakes.

Very straightforward: no horsing around with that young Canadian. The next letter is from Jeffrey Wilson,

who incidentally sends his love, something not often sent to a Member of Parliament:

> Will you please help me? Will you please stop pollution? Fish and other sea life are being killed. Try to find another way to drill for oil under water or stop. Thank you.

The whole statement is there and the minister and his staff could not find a more eloquent way of putting the problem. Lastly, a letter from Jeffrey Irving:

> I know you are very busy but please try to find time to read my letter. Raw sewage is being dumped into our many lakes, rivers and oceans. This is not only polluting the water, it is killing our fish for eating. Not only for me but for many other people try to do something about it.

My hon. friend is trying to do something about it by proposing the establishment of an environmental council. I support his bill and commend him for bringing the matter to our attention.

[*Translation*]

Mr. Albert Béchard (Parliamentary Secretary to Minister of Justice): Mr. Speaker, the disastrous effects of pollution are no longer to be demonstrated and the insistence of the hon. member for Burnaby-Richmond-Delta (Mr. Goode) to debate a second time the establishment of an Environmental Council of Canada shows the strong feelings of the hon. member about this issue which has become one of the world's major concerns.

The fact that this subject was raised by a member of this side of the House reveals how important this subject is to Liberal members. Besides, the leadership shown by Canada at the recent United Nations conference on environment in Stockholm certainly is proof that our country is at the forefront of the battle against pollution.

Incidentally, Mr. Speaker, I would like most cordially to commend the leader of the Canadian delegation, the hon. Minister of Environment (Mr. Davis).

The success of our country during this conference is most encouraging for the survival on this planet of living beings threatened by more or less imminent extinction if manking does not realize once and for all that there are limits to the saturation of our atmosphere and waters with chemical products which are dangerous not only to man but to all living creatures on the globe.

The goal the hon. member for Burnaby-Richmond-Delta has in mind in presenting his bill shows his desire to call the attention of the government on its responsibilities and tell the people that instead of merely shouting for help, merely begging the government to do something should act on their own, in their own environment, at work, on the farm and in various places.

Mr. Speaker, the Canadian citizen must shoulder a heavy load in this area not only by paying yearly and daily taxes to all government levels, which must also, with that money, take upon themselves to fight pollution, but in trying himself to stem that modern calamity without the need to spend millions of dollars.

For instance, one can see on our Canadian highways, in Quebec, in the Gaspé peninsula, unscrupulous motorists throwing beer bottles, beverage cans, papers of all kinds out of the car windows onto the highway; those people should realize that this is also a form of pollution.

Somebody mentioned a while ago young people writing to their Parliament members to ask them what to do, what the government is doing in order to fight pollution. I should not like to rebuke all those young people, because they are not all alike, they do not all behave in the same way. Some of them for instance like to frolic on the beach late in the evening and the following day while strolling along we can see dozens and dozens of broken bottles and objects of all kinds polluting our beaches.

I believe we could ask the young people to do their share in the fight against such an enemy, pollution.

I am agreeable to the bill of the hon. member for Burnaby-Richmond-Delta for the establishment of an Environmental Council of Canada. However, among the many measures this government has taken in order to fight pollution, let us point to an existing council which came into being under the legislation creating the Department of the Environment and whose name I shall translate freely as Canadian Environmental Council.

The council so created reports to the minister. The benefits of such a council are the following: if need be, it can report daily to the minister because, according to its own structures, it is in daily contact with the department and the minister, whereas this worthwhile independent environmental Council of Canada, if created, would report to Parliament once a year.

So, we would learn only once a year what is going on as concerns pollution, whereas the already established council is in daily contact with the Department of Environment. And if by any chance one were questioning the seriousness of this council, I should like, before concluding my remarks, to read into the record the names of its members, whose status is quite impressive. They are Canadians who have given evidence of their distinction. Their total number is 15, as was announced by the Minister of the Environment on May 8, 1972.

• (1750)

[*English*]

Mr. Norbert Beaupre, member. Mr. Beaupre is chairman and president of Domtar Limited, and is chairman of the board, British Columbia Forest Products Limited. He is presently the chairman of the Canadian Forestry Advisory Council, established by the Minister of the Environment (Mr. Davis). Mr. Beaupré held several executive positions with the federal government prior to his association with industry. Dr. Noah Carpenter is presently interning at the Alexandra Hospital, Edmonton and will study general surgery beginning in July 1972 at the University of Alberta. Dr. Donald A. Chant is presently Chairman, Department of Zoology, University of Toronto. He is a founder of Pollution Probe and author of more than 60 research papers on ecology as well as a number of books and reports. Dr. Chant has served on various boards and committees relating to ecology and the environment and has been active with radio and television programming in the environmental field.

Miss Moira Dunbar is a research scientist in the earth sciences division of Defence Research Establishment, Ottawa. She is actively involved in a program to study the growth, movement and decay of ice in northern waters. In 1972, she was awarded the Massey Medal of the Royal

Canadian Geographic Society. Mr. Louis-Edmond Hamelin is currently the director, Centre of Northern Studies, University of Laval, Quebec City. Mr. Hamelin is the author of numerous publications in the area of Canadian geography, in particular of the north. He is a member of the Legislative Council, Northwest Territories. Yellowknife. Mr. Edward A. Horton is currently the mayor of the borough of Etobicoke. He holds a BA and MBA in business administration and is a member of the American Public Works Association, Metropolitan Toronto Board of Trade and the Harvard Business School Club. Dr. Joseph H. MacInnis is a Canadian scientist who has devoted the past ten years to the study of men living and working beneath the sea. Through his endeavours he has provided medical and technical support for some of the deepest and longest manned dives in history.

Dr. Ian McTaggart-Cowan is presently professor of zoology and dean of the faculty of graduate studies at the University of British Columbia and chairman of the Provincial Academic Board. Mr. Donovan Miller is president and director of the Canadian Fishing Company, Limited, Vancouver, B.C. Mr. Miller's involvement in the Canadian fishing industry during the past 35 years includes a five-year term on the executive committee of the Fisheries Research Board of Canada; the presidency of the Fisheries Council of Canada and chairman of the Fisheries Advisory Council established by the Minister of Fisheries and the Environment. Dr. Norman Morse is chairman of the Department of Economics, Dalhousie University, Halifax. For the past 27 years Dr. Morse has been associated with the economics departments of Acadia and Dalhousie Universities. Mr. Robert F. Shaw, Deputy Minister of the federal Department of the Environment, has had a distinguished career in the construction industry and as a public servant. Mr. Michel Slivitzky is presently director of the Centre québécois des sciences de l'eau of the Institut national de la recherche scientifique of the Université du Québec. He is a specialist in hydrology of surface waters.

Mr. Foster Todd is President of the Mining Association of Canada. Prior to his retirement in March, 1971 he was executive vice-president of the International Nickel Company of Canada, Limited.

[*Translation*]

These, Mr. Speaker, are surely prominent Canadians who move about in various spheres of our society and who can render tremendous services to their fellow citizens within the council created to advise the minister on matters of pollution.

Mr. Deputy Speaker: Order. The time allotted for private members' business having expired, I do now leave the chair until eight o'clock.

At six o'clock the House took recess.

[*English*]

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

CANADA LABOUR CODE

AMENDMENTS RESPECTING INDUSTRIAL RELATIONS, LABOUR RELATIONS BOARD, INDUSTRIAL INQUIRY COMMISSIONS AND CONCILIATION BOARDS

The House resumed consideration of Bill C-183, to amend the Canada Labour Code, as reported (with amendments) from the Standing Committee on Labour, Manpower and Immigration, and motion No. 1 (Mr. Alexander).

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, when I was speaking just before five o'clock, and doing so on the basis of some rather hasty research, I made in the main two assertions. It may not enhance my reputation with my lawyer friends, but I rise now to say I must modify one of those assertions. In other words, I have been able to do a bit more research during the break between six o'clock and eight o'clock and I am happy to correct one of the statements I made just before five o'clock.

The first statement I made was that preambles in bills tended to disappear in the annual statutes, and particularly in the Revised Statutes of Canada. That is the statement I wish to amend. The other assertion I was making before five o'clock was that preambles which appear in legislation ahead of the enacting clause have no legislative effect. That is an assertion on which I wish to stand, and in support of which I wish to quote one or two references.

Mr. Woolliams: I think you should stand with that.

Mr. Knowles (Winnipeg North Centre): Yes, I am standing with the second assertion. It is the first one which in all fairness I must correct. During the break I found something to which I was about to refer. When I got to the Canadian Bill of Rights I found it has a preamble and that it is still there even though the Canadian Bill of Rights is appendix III to the Revised Statutes of Canada for 1970. Mind you, that preamble is in different language. It starts off with the word "affirming" as if Parliament affirms such and such and hence enacts as follows.

It is also true that I have found a number of other statutes which had preambles in them at the bill stage, and that a number of those preambles stayed with the bill as it became an act and was written into the Revised Statutes of Canada.

Mr. Lambert (Edmonton West): Not the amending act.

Mr. Knowles (Winnipeg North Centre): That is right, not when it is an amending act. I also point out that my assertion was not completely wrong. When you get to the Revised Statutes of Canada, even the phrase "Her Majesty by and with the advice and consent of the Senate and House of Commons of Canada enacts as follows" disappears. That phrase appears in the annual statutes but is not in the Revised Statutes. I am talking about the Revised Statutes. I pick up one act right off, an act respecting livestock shipping, and the enacting words "Her Majesty by and with the advice and consent of the

Senate and House of Commons of Canada enact as follows" do not appear in the Revised Statutes.

• (2010)

Mr. O'Connell: Does that have a preamble?

Mr. Knowles (Winnipeg North Centre): No, this one does not.

Mr. O'Connell: Find one with a preamble.

Mr. Knowles (Winnipeg North Centre): I was admitting that where there are preambles, they do carry over, so I will not argue that point any further.

Mr. Lambert (Edmonton West): They are original acts; they are not amending acts.

Mr. Knowles (Winnipeg North Centre): As I say, I would be glad to do more research to correct this point. But on the other point, the one about the effect of preambles, I feel that I must press it rather strongly. I draw attention to Beauchesne's Fourth Edition, citation 360, page 268 where the author says:

As a rule a preamble is unnecessary in a public bill.

He goes on to state that in private bills there has to be a preamble, but repeats that it is not necessary in a public bill and that it does not have legislative effect. Then I pick up a book entitled "Legislative Forms and Precedents" written by E. A. Driedger, who at the time he published this book was deputy minister of justice and deputy attorney general of Canada. At page 8 of his book Dr. Driedger says:

The use of preambles has fallen out of fashion, and public acts do not now normally have preambles.

The preamble is part of the act and may be referred to in construing the act. The Interpretation Act provides—

I could go on and read what he says of Dr. Driedger's book, from page 8 but instead I should like to read directly from the appropriate statute, namely, the Interpretation Act. It is chapter I-23 of the Revised Statutes of Canada for 1970. Section 12 thereof reads as follows:

The preamble of an enactment shall be read as a part thereof intended to assist in explaining its purport and object.

I freely admit that a preamble is permissible, even though it has fallen out of style, that it can be put into a piece of legislation and that it does get carried forward. But the most that can be said for it is that it is intended to assist in explaining the purport and object of an act. In fact, that is all that is said for a preamble, not only in Dr. Driedger's book but in the Interpretation Act itself.

So I think we are now at the position that a number of us were taking before five o'clock when we insisted that if these words, fine words that they are, appear only as a preamble, if they appear before the words "enacts as follows", then they have no legislative effect. They are there; they can be looked at; they can be read for an explanation—but they do not have enacting or legislative effect.

Because we think there is some merit in the words that are in the preamble, we would like the minister to find a way to transfer them into the body of the legislation itself. I cannot support the proposition put before us by the hon.

[Mr. Knowles (Winnipeg North Centre).]

member for Hamilton West (Mr. Alexander) that they should be wiped out altogether.

Mr. Alexander: Right.

Mr. Knowles (Winnipeg North Centre): I don't know what the hon. member means by saying "Right" at that point.

Mr. Alexander: I mean right, they should be wiped out altogether.

Mr. Knowles (Winnipeg North Centre): I cannot support that. Maybe there is something in the language that the hon. member does not like. Maybe he thinks that it goes too far.

Mr. Alexander: It misleads.

Mr. Knowles (Winnipeg North Centre): I like the wording that is there, but I think we should put it in the statute where it will have some meaning. Now, if I may go back to what I was saying about my first point, not watering down my admission that preambles do not disappear, nevertheless may I say to the minister that what will happen to the preamble to Bill C-183 is a moot question. This is not, as the hon. member for Edmonton West (Mr. Lambert) would point out, an original statute. This is an amending bill. This bill will amend chapter L-1 of the Revised Statutes of Canada, namely, the Canada Labour Code.

What does the bill do in the enacting part? It provides:

Part V of the Canada Labour Code is repealed and the following substituted therefor—

Then there follows a new part V entitled "Industrial Relations" and it starts with a new section 107. That means that the revising officers, or those who compile an office consolidation, will have to pick up the Canada Labour Code and, starting with section 107, take out all the rest of part V and put in there the new clause 107 and all those that follow. But where will such revising officers, or those who produce an office consolidation, put the preamble? It is not a preamble to the Canada Labour Code; it is only a purported preamble to part V. But there is no preamble to part V in the act that is on the statute books and there is nothing in this bill that says where those words in the preamble are to be put anywhere at all in the main statute that we are amending.

Maybe, Mr. Speaker, we are arguing over words, forms and procedures and all that sort of thing, but I think there is an element of importance to it. If these words have any meaning, and I think they are good words, then they should be put in the statute in a place where they will have effect.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I apologize for not being in my seat, but the hon. member for Winnipeg North Centre (Mr. Knowles) sat down rather more abruptly than I anticipated.

Mr. Knowles (Winnipeg North Centre): Come, come! I am a man of few words.

Mr. Peters: Quite a few.

Mr. Lambert (Edmonton West): Having heard that remark from the hon. member, I would say it is the most blatant understatement of the year. I am in full agreement with the amendment put forward by the hon. member for Hamilton West (Mr. Alexander) to delete the preamble. I do not want to traverse the same ground with regard to preambles that was covered by the hon. member for Winnipeg North Centre, but there is one distinction that I want to emphasize. The statute books and the Revised Statutes are full of examples of pieces of legislation that have preambles, but they are original statutes. This is an amending bill that in clause 1 proposes to repeal part V of the Canada Labour Code. I ask hon. members, where will the preamble fit in the Canada Labour Code when this amending legislation is enacted? There is nowhere it can be fitted in between sections 106 and 107; that is not the place to put the preamble.

This preamble is pure window-dressing for the purposes of this bill. I want to speak about this window-dressing because I believe it falls far short of what the bill should be doing. It is not often I speak on labour matters, Mr. Speaker, but I did speak on second reading of this bill because I was terribly disturbed about how it might affect the Canada Labour Code. The government, quite rightly, has proclaimed that the Canada Labour Code is the flagship for provincial labour acts across the country. The government claims that it sets the pace.

• (2020)

I want to impress upon the Minister of Labour (Mr. O'Connell) and all hon. members of this House that the ultimate purpose of any labour code is to promote industrial peace, not to put into contention the rights of the workers as against those of management. Certainly, it should establish the right of the worker to organize and to protect himself during the period of organization, but it should also establish the rights of the employer. Labour relations are, after all, a social contract between members of society and any contract should set out the rights and obligations of the parties as well as the means of curing defaults. I have seen many contracts which were not worth the paper they were written on because they did not provide a means for resolving defaults. This bill does not meet, the demand of today's society, namely that industrial peace must be promoted.

What is the result of a breach of the social contract between workers and management? The result is strife, confrontation and the abuse of society's rights. I do not blame one side or the other, but in the end it is the rights of society that are abused. How does this bill provide for the correction of defaults, Mr. Speaker? It is the most inefficient document that you could find. That is what I think of this bill.

An hon. Member: What do you propose instead?

Mr. Lambert (Edmonton West): I say we must establish means for the protection of society's basic rights, but there is no provision for that in this bill. During the second reading debate, I said that the ultimate purpose of this bill must be to promote industrial peace. The workers' rights are not worth a tinker's dam unless there is industrial peace.

Mr. O'Connell: Amendment No. 1.

Mr. Lambert (Edmonton West): The rights of the workers are not protected during strife. How many workers who have gone out on strike have recovered from the deprivation and dislocation, unless the strike was only for 24 hours. What about the damage to the economy, to the legitimate interests of management and ownership? These cannot be disregarded in a labour code.

I say that this bill is improperly oriented because it fails to have as its ultimate purpose the promotion of industrial peace. We have seen industrial strife from one end of this country to the other during the past year. Indeed, some people in various departments of labour seem to get gratification from the fact that they are sent out as conciliators and trouble shooters. Is that the answer to a labour code?

Mr. Woolliams: Of course, it is not!

Mr. Lambert (Edmonton West): A successful labour code is one under which there is a minimum loss of time through confrontation of workers and management and a minimum loss of production. This year, in the federal and provincial fields, we have seen an outright rape of society's interests, of the paramount public interest. There are certain things that individuals are entitled to do and certain things that individuals are not entitled to do in so far as the protection of their property and person is concerned. Mr. Speaker, we have seen how those rights have been abused as a result of industrial strife. Plant and property have been vandalized and sabotaged, then because a settlement is imminent it is claimed that there must not be any prosecutions. All this is done under the guise of striving for a labour contract. On the other hand, some employers use goon squads. However, goon squads are used by both sides. Some things done by management, of course, are not right. If I, as John Q. Citizen, were to break those same laws I would be brought before the court for having offended society. There are many infractions of the laws of this country as a result of labour strife, but apparently immunity is claimed just because there happens to be labour strife. This bill does nothing to cure that.

If there were a grave attack upon the paramount public interest of this country, is there anything in this bill that allows the government to move in to keep the parties apart and to impose a settlement? Settlement must be imposed ultimately; there has to be an ultimate sanction. Some may say that they do not want compulsory arbitration but that they want labour courts.

• (2030)

I think the worst type of settlement in industrial disputes is the ad hoc settlement forcing back to work a group of workers through a bill brought into this House and discussed in the other place under the stress of public pressure. Such settlement is subject to partisan contestation. And who wins? Nobody. Everybody loses—the workers themselves, the employers. If anybody believes in the viability of society and the collective rights of individuals, let me say that those rights will have suffered too.

Yet it is said that this bill is a bright, new shining light in labour relations. This is to be the flagship of provincial labour codes. Will this bill do anything for the chaotic labour relations existing in British Columbia? Is this bill to be the flagship for equally chaotic relations in Quebec and possibly in Ontario, where it seems certain people can say of the public, "Public rights be damned; I come first." Confrontation, Mr. Speaker, settles nothing even though some segments of society today think it is the panacea in social relations. Confrontation should be the last possible recourse. To that extent I say to the minister that this bill is deficient; it has failed to provide any protection in that regard for the public interest.

As for the preamble, it is almost like a recital in support of motherhood. I commend the efforts of my colleague for Hamilton West to delete the preamble from the bill. In my view, even without his amendment the preamble is little more than a pious, cosmetic dressing-up of this bill. It is meaningless because it could not be included in the statute. You cannot insert it between sections 106 and 107; there is no way that could be done because this is an amending bill.

In brief, the preamble is meaningless, save perhaps to this extent: it will offer an opportunity for debate in this House and some people might use it, as I suggested, for cosmetic purposes. In the second paragraph of the preamble there are statements that do not hold water. The majority of employers in this country, and employees, enjoy rights. They enjoy good working conditions without having had to resort to freedom of association and collective bargaining. One could point to examples throughout the country.

Why is it that freedom of association and the right to collective bargaining must be the bases—I underline this—of effective industrial relations? That is a lot of poppycock, because the majority of labour relations in this country between employer and employee are not based on collective bargaining. They do not have to be. Recognizing that these relations do exist and that they are of value in many places, I ask, why insist that those conditions shall be the cardinal rule underlying these relations? To me this is mere window dressing—pure, cosmetic window-dressing.

Of course you give workers the right to protection and the right to organization. I know that Canada signed the international convention, but it did that many years ago without consulting the provinces which have equal, if not greater jurisdiction in labour matters. I doubt very much if some of the provinces would sign the convention now in the form it was brought down. Is this bill an attempt, finally, at bootlegging—perhaps we should not use the expression "bootlegging"—at surreptitiously legitimizing an action taken by the government of Canada inasmuch as it has not been able to do this before or has been unwilling to do it? Yet there is the attempt in paragraph 3. One does not need this preamble to continue one's support of the right to organize and the right to bargain collectively. One does not need the preamble to protect that right or to promote industrial peace.

In my final plea for support of my colleague's amendment I say this: To the extent that this bill will not promote maximum industrial peace—and according to evidence given before the committee it will do just the contrary and bring about more and more confrontation—the bill has missed the point. That is why I urge this House to support my colleague's amendment.

[Mr. Lambert (Edmonton West).]

• (2040)

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, I observed the attitude of those who spoke before me during the course of this debate. They all referred in particular to the preamble of the bill, and yet I cannot see anything in this preamble that might prevent a series of understandable clauses to be drafted, taking into account the needs of workers. I do not mean that I give blanket approval to Bill C-183 because, in my opinion, this is too complex a legislation which goes beyond the reach of workers and which will enable union and management legal advisers to use union dues to make profits by pleading before the courts a few disputed points which will arise as a result of a legislation difficult to apply.

A legislation dealing with labour must—and I stated it on several occasions in this House—be drafted clearly so that all workers and employers may understand it easily.

I have listened for some time to speeches about the famous preamble; they remind me of a debate to which I had the opportunity of taking part and in which the word "dialogue"—by the way, a popular word in our modern society—was often employed. This was even the subject matter that was chosen by the director general of the 56th International Labour Conference held in Geneva's Palais des Nations in June, 1971, and I quote:

> Freedom through dialogue.

On that occasion, over 1,000 delegates from various countries of the world were looking for a step towards the organization of a more equitable and especially more humane world. The speeches of the representatives of various countries simultaneously translated into four different languages outlined the standpoint of each on the best ways to maintain or recover freedom through dialogue, to discuss, negotiate and seek means of agreement.

The delegate of the workers of France, Mr. Louet, summed up the world situation in a brief and persuasive speech and with outstanding eloquence. It would indeed be fit to quote some extracts:

> Our planet is undergoing deep and quick transformations, of a magnitude and acceleration never known in all its history. For want of controling such an evolution, millions of human beings suffer from it sometimes dramatic effects. The aggravation of disparities of all kinds which results generates renouncement or bitterness if not anger.
>
> The enduring egoisms and the complex jumble of economic mechanisms make national action almost inoperative in view of the world-wide scope of the problems to be solved.

Insisting on the advantage of dialogue, he added:

> But what is the dialogue referred to, between what individuals and for what purpose? If holding a dialogue must be synonymous with speaking—

—I must add here that we are not short of speeches, we already speak too much most of the time without saying anything much constructive or original.

True dialogue means promoting the exchange of ideas to convince each party to listen to the ideas of the other and then to review and reconsider one's ideas.

We should perhaps take the following as a motto: Let us speak a little less and listen a little more. When everyone speaks and nobody listens, communications break down and tantrum sets in; that is what we often note in the course of various negotiations.

It often occurs that government and unions speak different languages, particularly when the government's wage policy and the sum total of salaries are at stake. These are words many people use but with different interpretations. There is a kind of professional distortion particular to negotiators on whatever side of the table they may sit; actually, they keep putting a new sheen on old clauses without devising any new ones.

Negotiators on both sides haggle over commas and tend to forget the basic objective of a collective agreement which is the humanization of labour-management relations. Instead of seeking to guarantee the security of all concerned, some collective agreements develop into means of provocation.

We sometimes discover that those who should be concerned with maintaining good relations, do not pay as much attention to shouldering their own responsibilities and obligations as to claiming their rights; a good many problems would be automatically solved if people would try and apply more often nature's good old law of compensation which states that a job well done should be a job well paid. In view of the changing methods of production in this day of automation, a large number of workers tend to claim high wages for too little work with the ensuing result that in various segments of the administration there are public servants who are no longer "serving".

It is important to identify the various causes of misunderstanding and to direct labour legislation towards the protection of the rights of the week, the humble, the poor and, specifically those who are most in need of protection. Incidentally, it should be noted that the complexity of our laws often results in confusion.

I insist on this point. It is difficult to draft legislation—especially labour laws—in clear language. Let us then try to avoid these famous complexities which inevitably lead the parties into courts.

Today, there are big legal offices, as I know, having been active in the union movement. At that time, it was quite hard to find lawyers familiar with labour legislation. Now there are legal firms grouping 7 or 8 lawyers in cities like Montreal and Quebec. The legislation is so complicated that both unions and employers have to resort to legal advisers. Finally, what is the use of such complicated labour legislation? In fact, there are innumerable strikes and little agreement between the parties.

A summary listing of causes of conflict might provide food for thought to those who are really anxious to improve the situation. Considering the continuous rise of the cost of living through proliferation of taxes, levies, commissions, boards, surveys, etc. coupled with the complexity of legislation resulting in unending and expensive legal proceedings, it is easy to understand the reasons for the strikers' mentality which causes concern to employers and workers.

Such considerations should cause the government to take time out to prepare labour legislation truly accessible to those involved in it.

It is quite noteworthy that there should be a tendency to organize minor union skirmishes on various fronts, thus perpetuating a climate of mutual incomprehension. Why so? Usually for the sake of salary increases which, as soon as they are achieved, are quickly eroded through the increased price of products.

They fight to get wage increases to make up for the dollars which are lacking without being over-concerned about finding out who is making, controlling them and determining their value. What will be the use of earning from $3 to $10 an hour if this is equivalent to only $1 or $2? This is a problem of distribution of resources, purchasing power, work and leisure, and order must reign in the financial system which does not fulfill its task. In fact, let us consider this childish scene of distribution: 10 children, 2 apples, a fight ending in favour of the strongest; 10 children who have pennies, 2 apples, the highest bidder, provided he is protected by a policeman; 10 children, 15 apples, to each his own, and for all appetites.

There is the whole picture of the present crisis. We are behaving like children. Let us therefore try and find a way of drafting a law likely to favour a more equitable distribution of commodities so that workers may work in normal conditions. We must re-establish the equivalence of the purchasing power based on the needs and the value of goods, considering that human work tends to be replaced by machines.

Some clauses of the bill deal with technology and the way it may be applied. It is just about inapplicable. The worker is hungry and thirsting for money to live and support his children. Let us give him justice so that he will not be compelled to walk about with a stick and a piece of cardboard nailed at the end of it.

• (2050)

[*English*]

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I listened to what was in my opinion an astonishing speech made by the hon. member for Edmonton West (Mr. Lambert). Presumably he was discussing the motion before us which would have the effect of deleting the preamble to this bill, but as I listened to the hon. member it became obvious to me that he was really not debating the deletion of the preamble, he was debating the deletion of the bill. He was, in effect, willing to throw out the baby with the bath water, to quote a hackneyed expression.

The hon. member has a perfect right, of course, to disagree with the idea of the collective bargaining process, which is obviously what the hon. member for Edmonton West was telling us.

Mr. Woolliams: He did not say that at all.

Mr. Barnett: He may believe that the whole process whereby working people have the right, painfully built up over the years, to act as a group on more or less equal terms with an employer should be abolished as far as any

basis of legality is concerned but I want to make it clear that I, for one, do not support the position he has taken. The bill does not say that collective bargaining is compulsory. As I understand the proposal, it is a process which is open and available under certain rules to those who desire to engage in it. As far as employees are concerned, unless the majority wish to enter into collective bargaining arrangements with their employer, there is nothing in the law which says they must do so. In the opinion of the hon. member for Edmonton West this is an insidious brand of dictatorship.

Mr. Woolliams: On a question of privilege, Mr. Speaker. I listened carefully to the hon. member for Edmonton West and he never said that at all. He said he hoped a bill would be enacted by Parliament dealing with labour-management relations and that it would be such a bill as to bring about industrial peace. He pointed out that the preamble did nothing of that kind. He never attacked labour, or collective bargaining. The hon. member for Comox-Alberni (Mr. Barnett) has always been fair, and I hope he will be fair tonight regarding what the hon. member for Edmonton West did say.

Mr. Barnett: I enjoyed the speech just made by the hon. member for Calgary North (Mr. Woolliams), as I always do, but I hope the time taken for his speech will not be charged against me. I was not attempting to quote verbatim what the hon. member for Edmonton West said.

Mr. Woolliams: Don't waffle, then; set out the facts.

Mr. Barnett: I was saying that his remarks led me to believe the hon. member for Edmonton West is opposed in his own mind to the process of collective bargaining.

Mr. Woolliams: That is a complete untruth.

Mr. Barnett: I think it is a fair interpretation to place on the thrust of his remarks tonight.

Mr. Peters: That is what I got out of his speech.

Mr. Alexander: That is not what I got out of it.

Mr. Barnett: The hon. member for Edmonton West said nobody ever gained anything out of strikes. Well, I do not believe there is anyone in this House who thinks strikes are a desirable element in our society. Nevertheless, I cannot subscribe to the view that all strikes have been fruitless. I recall being personally involved in three strikes before I came to this House. One was a strike to gain recognition of the existence of a union, and for the right to collective bargaining. This is not a right whose value can be estimated immediately in monetary terms, but in my opinion this was a justifiable and necessary strike.

The second strike was one in support of the principle of a 40-hour working week. It sounds academic now to be told that people had to strike to get a working week of that duration. However, in those days, if an employer told his workers to work six days a week for 12 hours each day, the employees were obliged to do so or risk losing their jobs. That strike, in my opinion, was necessary and socially desirable.

The third strike in which I was involved was a strike to gain recognition of the principle that working people who were paid by the hour or by the week were entitled to a vacation once in a while without loss of income. I remember hands being held up in horror at the idea of paying someone when he was not doing anything. But why not recognize the work of people other than those engaged in the professions?

Mr. Woolliams: Yes, but don't you think of labour sometimes getting into the professions? Don't you think the hon. member for Fraser Valley West (Mr. Rose) is in a profession? He is a useful man.

Mr. Barnett: The hon. member for Calgary North says the hon. member for Edmonton West was talking about industrial peace.

Mr. Woolliams: Right.

Mr. Barnett: Of course, he was. And if the hon. member is in favour of industrial peace I agree with him.

Mr. Woolliams: Good.

Mr. Barnett: But the nub of the matter is this: just how does one go about achieving industrial peace. Is it something which is imposed or is it something which comes about as a result of discussion and negotiation?

Mr. Woolliams: Or irresponsibility.

Mr. Barnett: Or is it something which comes about as a result of the development of experience in the relationship between workers on one side and management on the other? We are a long way from having arrived at any seventh heaven in the development of peace between employers and employees. I do not say there have not been occasions when the fault lay on one side rather than on the other. What I am saying is that an attack on the concept of collective bargaining is not an approach which is likely, in any society which calls itself democratic, to move us toward a state of industrial peace.

• (2100)

With regard to the principles contained in the preamble and the way they are spelled out in the bill, the hon. member suggested that the worst means that could be used to bring about a settlement if the situation reached the stage where it seriously affected the public interest would be to introduce a bill in the House. I do not agree with that contention. I think that approach is far more apt to bring about a settlement that would be acceptable to both sides than would the kind of Star Chamber methods that have been used in the province of British Columbia under a law that was pushed through the legislature enabling one minister in secret to sign a document ordering the workers to do such and such.

Mr. Lambert (Edmonton West): When did I suggest that alternative? Come, now.

Mr. Barnett: I suggest that the only way in a free society in which stoppages of work or industrial disputes can be settled in what we consider in the ultimate sense to be a democratic way is by taking action through the elected

representatives of the people in Parliament. Because here we can publicly debate the issues and the pros and cons of what is required in the public interest and what is fair to the employers and employees in relation to the public interest, and thus the individual situation can be assessed.

Fortunately, in my view, we are retaining that kind of approach in this bill. I suggest that if either in the preamble or any other part of the bill it is suggested that we take an approach similar to the one taken in the province of British Columbia, we would be sowing the seeds of deep-rooted trouble for the future as far as any hope for a real and lasting industrial peace is concerned.

Perhaps I am straying as far away from the subject matter of this motion as did the hon. member for Edmonton West, so let me come to the preamble itself which the hon. member is proposing to delete. Some of the questions raised about its position in law have already been dealt with by other hon. members and I shall not repeat them. I was, as member of the committee know, responsible for moving the deletion of the preamble during the committee stage.

Mr. Alexander: I was waiting for that.

Mr. Barnett: To assist the hon. member for Hamilton West (Mr. Alexander) perhaps I should quote part of what I said, as reported at page 20:23 of the Minutes of Proceedings for June 20 last:

Whenever I find myself looking at one of these rather flowery preambles to a piece of legislation, I think of it as being a continuation of what I call the Pickersgillian fad. I say that because the former member for Bonavista-Twillingate as minister of transport seemed to initiate this idea—

Perhaps I was a little out there; he revised it. As pointed out in one of the quotations of the hon. member for Winnipeg North Centre (Mr. Knowles), apparently this was something that used to prevail but which fell out of fashion. Then I went on to say that I did not think these preambles really meant very much. As pointed out by other members tonight, I too pointed out that in law they really had not very much effect, and I went on to say that I did not think the habit of putting this sort of thing in front of bills had much value. Members of the House may be interested to know that when asked to comment, the deputy minister of labour said that it was probably true that they did not have very much effect in law, but that if they had no more effect than that he could not see any particular harm in leaving them in bills.

Quite frankly, I have not altered my view about this practice. The sentiments expressed are laudable enough in most cases and I do not quarrel with them. Nevertheless, I think that what has been put forward as a serious suggestion by the hon. member for Timiskaming (Mr. Peters) and the hon. member for Winnipeg North Centre is worthy of consideration. If what is said here is intended to mean anything, then let it be incorporated in the legislation itself. This is a serious proposition worthy of discussion and consideration, even though it might involve a little redrafting of the phraseology of the preamble.

As I have read the bill, I think it would add something to have some of the matters stated in the preamble made part of the bill. To take one example, though this is not perhaps a key point, mention is made of the government of Canada having ratified a convention. I do not know offhand whether Parliament has ever ratified it, but the present wording might be made more appropriate if it were phrased in such a way as to read that Parliament had given its support to the convention.

I think what is implied here is a recognition by employers that collective bargaining is supported and should be supported in this country. Yet as I read the law there is no provision to the effect that employers are bound to recognize collective bargaining. There is a pious sentiment here about a recognition of collective bargaining as a basis for arriving at settlements between employers and employees. If that were a proposition that could be considered, then certainly I would support it. However, quite frankly, despite what some of my colleagues have said as well as some of the arguments advanced, particularly by the hon. member for Edmonton West, in support of the motion put forward by the hon. member for Hamilton West, I have not changed the views that I expressed in committee about putting what I still feel are but pious sentiments in front of a bill.

• (2110)

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, I want first to recognize that this bill came upon us this afternoon rather unexpectedly. This circumstance arose when one hon. member of this House declined to give unanimous consent to our proceeding with third reading of the bill then before us.

Mr. Knowles (Winnipeg North Centre): A member from your side.

Mr. O'Connell: It did come a little unexpectedly, although the quality of debate has not suffered for that reason. No doubt that is because this bill has really been before all of us who have been interested in it for perhaps a year. A similar bill was introduced about this time last June. There have been many meetings, and many briefs have been heard. The minister has met with many delegations and listened to their points of view. The bill went through a very good second reading debate in the House and received great support. There were 24 hearings of the standing committee and 20 or so delegations appeared before that committee. No doubt that has all helped us to get a good start on it this afternoon.

I want to address myself to some of the points made in respect of the preamble. We are looking at these questions because the hon. member for Hamilton West (Mr. Alexander) has moved that the preamble be deleted. What does a preamble do? The preamble is here because it sets forth the faith of this government in the principles underlying this bill. Let me draw hon. members' attention to this fact. The preamble gives weight and recognition to employers and employees as participants to the collective bargaining process which the bill underwrites. It stresses freedom of association and free collective bargaining as effective bases for industrial relations in Canada.

I should like to draw hon. members' attention to the fourth paragraph of the preamble. It means just what it says, that Parliament desires, and expresses the desire here, to continue and extend its support to labour and management in their co-operative efforts to develop good

relations and constructive collective bargaining practices. The provisions in the bill itself which follow that expression in the preamble are evidence of the value this government places on our present system of industrial relations based on freedom of association and the right to bargain collectively.

Mr. Lambert (Edmonton West): Where is that going to fit into the labour code?

Mr. O'Connell: Some may not take this position but may reject it. What we say in this preamble is that freedom to associate and free collective bargaining are the cornerstones of industrial relations in Canada. Some may argue that there is only 10 per cent of the labour force operating under federal jurisdiction and that only one-third of the total labour force is in fact unionized. It is not a question of numbers; it is a question of the principles involved.

We are not going to bring before this House of Commons an equivocal statement in respect of the central position of free collective bargaining and freedom of association in Canada. We are not going to put forth a fuzzy preamble. We are not going to give with one hand and take back with the other. It is for that reason we cannot find acceptable the suggestion which came forward from the standing committee that this is to be one of the bases of industrial relations. No one is going to argue that the collective bargaining process as it is pursued under the Canada Labour Code is the whole story. No one is going to argue that this is the whole practice. What we say in unequivocal terms is that it is the cornerstone.

May I refer hon. members to the Woods task force report on Canadian industrial relations. Recommendation No. 434 did make a case and concluded by recommending that the legislation contain a preamble that would replace the neutral tone of the present statute with a positive commitment to the collective bargaining system. That in fact is what we are doing in this specific preamble.

May I address myself to the second point raised here which sent all of us to a hurried exercise in research over the dinner hour. What status does this preamble have as it is in print in this amending bill? I speak without the benefit of legal training but I think I now see my way clear in respect of this preamble. I conclude my remarks on this section of the comments by stating that I think we should encourage the House to leave the preamble exactly as it is now.

It has been said that a preamble which precedes the words "Therefore Her Majesty by and with the consent of the House of Commons and the Senate enacts as follows" does not have status, legislative effect and may disappear in a subsequent revision. It seems to me there are two points involved here, one in relation to the legislative effect of a preamble positioned in front of those words, and the second in relation to the likelihood of its survival in a subsequent revision of the statutes of Canada.

In the first instance, I have been able to find many acts on our statute books, in the Revised Statutes of Canada, 1970, which do have preambles. These preambles precede the words "Therefore Her Majesty by and with consent enacts as follows". I will make reference to a few of them: the farmers' Creditors Arrangement Act, the Industrial development Bank Act, and act respecting small loans, an act respecting Royal Style and Titles, the Queen Elizabeth II Canadian Research Fund Act, the Atomic Energy Control Act, the Bank of Canada Act, and a number of others.

With the little research it was possible for me to do, I could find only one case where the preamble did not survive. I want to be frank with hon. members; I could find only one case where the preamble did not survive the attention of the statute revision officers, and that was the Veterans' Land Act. I do not know whether it is a special case, but it is the only one we could discover where the preamble was dropped in a subsequent revision.

Just to confirm this for the hon. member for Winnipeg North Centre (Mr. Knowles) who raised the point, if he looks in the Revised Statutes, volume 4, he will find that the act incorporating the Industrial Development Bank Act begins with a preamble and these words:

Therefore, His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows—

Then comes the short title and the interpretation section. There are three volumes which follow that confirmation of this practice of a preamble that comes at the front of a bill surviving any revision process, and status there is not governed by the enacting sections.

Mr. Knowles (Winnipeg North Centre): Were any of those amending statutes?

Mr. O'Connell: I will come to that in a moment. I cannot confirm or say no to that question. They may not have been amending statutes. I am further advised that it makes no legal difference whether a preamble survives a revision. The preamble continues in force and has the same validity that it had in the original statute, amended or otherwise, and it would still have the kind of legislative effect laid down in section 12 of the Interpretation Act. I shall read that section:

• (2120)

The preamble of an enactment shall be read as a part thereof intended to assist in explaining its purport and object.

The point I want to make is that in my view, supported by some legal counsel, the preamble continues to have that effect. It would have it in this amending statute whether or not in some subsequent revision it is carried forward. It is therefore not a question of technical features or drafting practices as to just where it appears in this connection.

The next substantial question is, what legal effect does this preamble have? I say it continues to have the effect which all preambles have as determined in section 12 of the Interpretation Act where it is carried forward in a revision.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, would the hon. member permit a question at this point?

Mr. O'Connell: Yes.

Mr. Knowles (Winnipeg North Centre): Without arguing the matter as he placed it before us, would he not prefer that the language of the preamble have legislative effect rather than just the effect of assisting in explaining the purport and object of the legislation? The minister will

recognize I am quoting from section 12 of the Interpretation Act.

Mr. O'Connell: This is a question which I believe I can answer rather readily. The preamble has no greater effect in any statute than that laid down in the Interpretation Act. Whether it is in one position or another, it has not different legislative effect than that permitted in the Interpretation Act. I therefore have to rest on the case I have been presenting.

I wish to say this in addition. From the advice I can get—in this sense it is not conclusive because the determining point is the statute revision officers, and when they come to look at this matter they are the ones who will make the decision—in all frankness, it may well be that this being an amending statute the preamble may in fact disappear. I cannot say it will, but I would be less than frank if I said now that it will not.

Mr. Knowles (Winnipeg North Centre): Because this bill does not say what to do with it.

Mr. O'Connell: Even if this bill put it in a different place, it might well disappear in the course of revision. That is to be determined by the revision officers. Regardless of the decision the revision officers will make this preamble will have as much use for all those who wish to refer to it whether or not it is carried forward in a revision, and the use of those who wish to refer to it is the use which is permitted in the Interpretation Act. With those few comments I conclude my remarks.

Mr. Woolliams: Mr. Speaker, would the minister permit another question?

Mr. O'Connell: Mr. Speaker, I feel I cannot accept the amendment put forward by the hon. member for Hamilton West in motion No. 1.

Mr. Woolliams: Mr. Speaker, would the minister tell us with certainty whether the interpretation of the balance of the clauses would be identical if the bill did not have any preamble?

Mr. O'Connell: Mr. Speaker, I am being asked to give a legal opinion. I have to shrink from that. I can give my own opinion, which is that it would have exactly the same effect whether or not the preamble were there. It is not in there to modify the interpretation. The words of the Interpretation Act are, "to assist in explaining its purport and object". It is put in there to demonstrate the faith we on this side of the House have in free collective bargaining and in freedom of association.

Perhaps before I sit down I ought to correct one impression which may have been left by the hon. member for Edmonton West (Mr. Lambert) with reference to ILO convention No. 87. If I understood him correctly, he said there was not consultation with the provinces. That is not the case. ILO convention No. 87 was ratified by this government after receiving the unanimous consent of all the provinces of Canada. There was full consultation and unanimous consent was received. It was ratified this year and reference is made to it in the act. That ought to be pointed out, Mr. Speaker.

Mr. Alexander: Mr. Speaker, before the minister sits down might I ask him a question?

Mr. Deputy Speaker: Order, please. The hon. member is rising to ask a question of the minister.

Mr. Alexander: With your indulgence, Mr. Speaker, may I say that I listened to the minister and did not expect any different speech than that which I heard in the committee. However, I am wondering why the minister did not give any reason for not including the preamble in this bill, when in fact he has placed so much emphasis on freedom of association and the collective bargaining process as elaborated in the preamble.

I ask with all due respect—and I believe this was the thinking all along—why the preamble was not in the first bill. In fairness, I think we should have an explanation because it seems to me that suddenly—I know, Mr. Speaker, that I am getting into a debate—between the tabling of the first bill, its removal and the bringing in of Bill C-183 someone, for some reason, became enlightened. I ask why the preamble is in this bill now when it was not in the other bill.

Mr. O'Connell: Mr. Speaker, I do not think it is either a case of enlightenment or non-enlightenment. As the hon. member knows, it was the case of members of the labour movement for some time that a preamble should come into this bill. I found that to be a very persuasive argument and was very happy to have the preamble inserted in the bill. I have had confirming counsel to that effect in the Woods task force report on industrial relations which recommended the same thing. It seemed to me it would appeal to this Parliament to state unequivocally its confidence in the collective bargaining process and the majority of the parties which participate in it and work with it by laying it out here as the cornerstone of industrial relations in Canada. I am very happy to take responsibility for inserting it in the present bill.

Mr. Lambert (Edmonton West): Mr. Speaker, would the minister advise the House what he thinks will happen to the preamble, assuming the bill is passed and there is perhaps an office consolidation for use by the public, bearing in mind that I put it to him that the preamble would have to disappear because there is no provision whereby the preamble can appear between sections 106 and 107 of the statute? This is an amending statute; therefore, what is it worth?

Mr. O'Connell: I shall not tax the patience of the House by again going over the arguments I made. I know the hon. member was absent for most of my remarks. I regret that, because I believe I covered the ground quite fully. I think he will have to read my remarks in *Hansard*.

Mr. Lambert (Edmonton West): But you did not give an answer.

Mr. Deputy Speaker: Order, please. The minister has time left in his remarks. If the hon. member for Calgary North (Mr. Woolliams) has a question and the minister wishes to receive it, the Chair will see the hon. member for Calgary North. The hon. member for Calgary North on a question.

• (2130)

Mr. Woolliams: No, I want to say a few words on this matter.

Mr. Gilbert: I want to ask a question.

Mr. Deputy Speaker: Order, please. I was under the impression that the hon. member for Calgary North wanted to ask a question.

Mr. Gilbert: This is a very short question. I have been impressed by the rationale and persuasive arguments of the Minister of Labour (Mr. O'Connell). The idea of setting forth a philosophy in the preamble is a good one. Is there any truth to the speculation that the Canadian Manufacturers Association is not happy with this statement of philosophy and want it deleted?

Mr. O'Connell: Mr. Speaker, I think it is known to all of us that not all the participants in collective bargaining in Canada are happy with this or that part of the labour bill. That applies to both parties to collective bargaining. I would not want to draw specific attention to any one of them this evening.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I listened with a great deal of interest to the hon. member for Winnipeg North Centre (Mr. Knowles). I thought he was very good. I listened to the hon. member for Edmonton West (Mr. Lambert). I also thought he was very good; he put the problem squarely before the House and the people. I also listened to the hon. member for Comox-Alberni (Mr. Barnett), and I felt he misinterpreted the problem somewhat. From the questions put to the minister it seems to me that the preamble does nothing to assist in the interpretation of the legislation. It seems that it was intended by the minister's advisers to assist him in selling a bill that is not favourable to either labour or management. That is why it is there.

Let us consider what the legal authorities say about a preamble. I wish to quote from Maxwell in "The Interpretation of Statutes," twelfth edition. When I went to law school, Maxwell had a large book, but tonight I found that his book is only a quarter of an inch thick. When I read from it hon. members will realize why he has reduced it in size.

I know that the minister had the best possible legal aides to assist him in drafting the preamble. I would like to deal with it in a legalistic way and then say something about its political implications. The preamble does not add anything to or subtract anything from the bill. It was put in at a time when we are heading into a general election, when the government wants to keep both labour and management happy. As a result, we have a weak bill with a long preamble. This reminds me of lawyers who when they have a strong case on the facts spend considerable time stressing the facts, but when they have a week case on the facts they stress the law. I suppose anybody in the minister's position would have done the same.

When I reread Maxwell tonight it rather shocked me, not having looked at it for a number of years. It starts by saying:

Many old statutes—

[Mr. Deputy Speaker.]

In passing, Mr. Speaker, I always thought the Liberal party was a new party, an aggressive party.

—have preambles in which the main objects of the Act are set out, and these are legitimate aids in construing the enacting parts. But considerably less space will be devoted here to the use of the preamble in construction than in previous editions of this work, for two reasons.

He goes on to give the reasons. That is why the question was asked by the hon. member for Winnipeg North Centre, by the hon. member for Hamilton West (Mr. Alexander) and by other hon. members. I point out that Maxwell is a legalistic man who has nothing to do with politics. His is a text book which would be used by a court in deciding how this bill should be interpreted. I continue the quotation:

First, hardly any modern statutes have preambles, so that the importance of the preamble as an aid to construction is constantly declining.

I see the Minister of Labour (Mr. O'Connell) pointing to statute books. Those are Liberal statutes.

Mr. O'Connell: Would the hon. gentleman like to indicate which party was in office when the Bank of Canada Act was passed?

Mr. Woolliams: Wait, I am coming to something. When you are dealing with the interpretation of the constitution through the BNA Act, or with the Bill of Rights, then you can refer to the preamble. But when you are dealing with a working statute having to do with labour-management relations, that is a different proposition. If the minister is pointing to statutes that may have been passed by a Conservative government, I point out that I was not a member of that government. I am talking about Bill C-183. We are dealing tonight with a very important matter, probably one of the most serious questions affecting Canada.

Mr. O'Connell: What about the Bill of Rights?

Mr. Woolliams: I am glad the minister asks me about the Bill of Rights. That is an exception. When you are dealing with the BNA Act, the interpretation of the constitution, or the Bill of Rights then you may go to the preamble. Here we are dealing with the interpretation of a statute respecting labour-management relations. Let me just finish the quotation.

First, hardly any modern statutes have preambles, so that the importance of the preamble as an aid to construction is constantly declining.

Mr. O'Connell: It is still there.

Mr. Woolliams: I would not get too excited if I were you. I don't think you have read what I am going to read.

Secondly, the office of the preamble in interpretation has been authoritatively stated by the House of Lords—

This was an English case, *The Attorney General v. Prince Ernest Augustus of Hanover,* 1957 Appeal Cases, page 436. Here I might say that the British authorities are followed as part of the process in rendering decisions in Canada.

In that case, Lord Normand said (at pp. 467, 468): "When there is a preamble it is generally in its recitals that the mischief to be remedied and the scope of the act are described. It is therefore clearly permissible to have recourse to it as an aid in construing

the enacting provisions. The preamble is not, however, of the same weight as an aid to construction of a section of the act as are other relevant enacting words to be found elsewhere in the act or even in related acts. There may be no exact correspondence between preamble and enactment, and the enactment may go beyond, or it may fall short of the indications that may be gathered from the preamble. Again, the preamble cannot be of much or any assistance in construing provisions which embody qualifications or exceptions from the operation of the general purpose of the act. It is only when it conveys a clear and definite meaning in comparison with relatively obscure or indefinite enacting words that the preamble may legitimately prevail.

Then he comes to the general rule which has been mentioned by the minister, by the hon. member for Edmonton West, the hon. member for Winnipeg North Centre and the hon. member for Hamilton West, that the preamble means nothing; the act itself is important. If the minister is satisfied that this proposed legislation will bring about economic and industrial peace and will still be fair to both labour and management, they being responsible within the law, then he has done his job.

• (2140)

Basically, this preamble means nothing. The only reason it is there is that the minister and the government are concerned that they are not satisfying labour nor management, and that there is likely to be an election this fall. If the Prime Minister (Mr. Trudeau) is still frightened, we will have one according to the constitution even if we have to go to the Supreme Court of Canada to obtain the right to have it.

I thought the minister added something new to that department. I thought he was sincere, though sometimes he appears to be a little sad or apologetic. But now he brings in a preamble which is a straight, political platform and means nothing. I was not on the committee that studied the bill, but it appears that it might be selling labour or management a little short. One thing is sure, however—it is selling the Canadian people short. I listened to my friends in the New Democractic Party.

An hon. Member: As you always do.

Mr. Woolliams: It is clear that Saskatchewan has been pretty kind to the CCF, Mr. Speaker. That is where the first socialist experiment took place. The farmers of Saskatchewan have been pretty kind, too, giving them a few seats in the legislature. But I would like to have a mouse in the caucus to find out where they stand when they speak to the grain farmers.

The port of Montreal has been tied up so that we cannot ship wheat and contracts are broken. Since 1968 there have been so many strikes on the west coast that wheat cannot be shipped. How does this party manage to hold seats for the wheat farmers? How can they hold seats, with labour union leaders like the leader of their party who is at least a solicitor for unions? It is beyond me.

I should like to have the unanimous consent of the House to hear the hon. member for Winnipeg North (Mr. Orlikow), who has been connected with the labour movement in this country, explain to the people of Saskatchewan, Manitoba and Alberta, agricultural provinces, why the party almost continually supports industrial unrest. It would take a magician to do it, but somehow they manage to get the farmers and labour of Manitoba, Saskatchewan and Alberta to vote for them.

In his speech the hon. member for Edmonton West (Mr. Lambert) said that what we are trying to legislate tonight is industrial peace. Surely that is important, Mr. Speaker. If it is not one group on strike, it is another. We cannot get the wheat out of the country. It is all very well to talk about great markets and contracts, but in the last four years Canada has dropped from first place to sixth place as a nation trading in grain. If I am to be kind to the government for a moment, I must say it was not really because of their agricultural and trade policies but because there has not been industrial peace in this nation. Without it, we cannot compete against Japan, Germany and the United States. While our ships waited in Vancouver month after month to be loaded with wheat to meet our contracts with the U.S.S.R., the United States was loading ships in Seattle with American wheat.

Mr. Mackasey: Not true.

Mr. Woolliams: In the story "How Green was my Valley", which was written at the time of the industrial revolution in Great Britain and dealt with the suffering of the coal miners, the old man told his sons that they could only achieve their ends if they did it with responsibility. That is the important factor, Mr. Speaker, and it is the only way to get industrial peace. Management must be responsible and labour must be responsible.

With the greatest respect to the Minister of Labour (Mr. O'Connell), I do not think much of this preamble. Maybe his legal advisers told him it was necessary, but it is nothing. If he needed it to bolster this act, he would be better to throw the whole thing on the garbage heap because it is nothing.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I had no intention of speaking at this time but as I listened to the hon. member who just sat down, several questions occurred to me. I have not been able to figure out which part of his speech referred to the preamble of this bill.

Mr. Woolliams: I read from a legal text; I cannot do more than that.

Mr. Orlikow: Mr. Speaker, I think the hon. member should try to understand, although I do not suppose it is possible, that when workers in Canada talk about the right to collective bargaining it means their right to bargain and to negotiate about conditions of work, wages, holidays, grievance procedures, and so on. It means that they will be able to decide what is important, on their own. It means that nobody can tell them what to do if they follow the proper procedure.

I agree with the hon. member, since trade unions are composed of human beings who are fallible, that there have been strikes which probably were not very wise. The workers themselves are making decisions on principle, Mr. Speaker. They are not influenced by outsiders, by people like the hon. member for Calgary North (Mr. Woolliams), by members of the NDP or by anybody else. Of course, the hon. member may deplore strikes. They cause inconvenience. I can understand the concern of wheat farmers who want to move their grain. I can understand

the concern of people who want to go to hospital when hospital workers go on strike.

• (2150)

It is not enough for the hon. member for Calgary North to complain about strikes. It is not enough to point out how strikes create difficulty. Strikes are a facet of life in every democratic country. The hon. member spoke of the wheat sales the United States made while the port of Vancouver was closed. I think the hon. member for Calgary North knows there was a longshoremen's strike on the west coast of the United States which closed every port from Seattle down to San Diego. That strike lasted for almost six months.

Mr. Woolliams: Do they permit strikes in Sweden?

Mr. Orlikow: Of course they permit strikes. They have many strikes because they have—

Mr. Alexander: Enlightened management.

Mr. Orlikow: Precisely. If our management were as enlightened as Swedish management, and as ready to deal freely and fairly with employees, we would not have nearly as many strikes in Canada. Mr. Speaker, I want to say something else to the hon. member for Hamilton West (Mr. Alexander). If there were as little unemployment in Canada as there is in Sweden, there would not be as many strikes in this country. Strikes are to be deplored. But deploring strikes is not enough.

When a person says strikes are bad and that there should not be strikes, he is obligated to suggest a method of establishing relations between employers and employees which will work better than free collective bargaining, a system which sometimes leads to strikes. Mr. Speaker, systems like that have been tried. For 50 years in Australia and New Zealand they have dealt with labour matters under forms of compulsory arbitration in labour courts. Yet in those two countries there have been more strikes in some years than there have been in Canada, where the relatively free method of collective bargaining is used.

Let me say one more thing, Mr. Speaker. When the hon. member suggests or implies that the members of my party encourage or are involved in strikes, he is just as wrong as he would be if he were to suggest that we encourage employers to lock out their employees. We have no more influence over what others do than members of any other party. The perfect example that comes to mind, and I will close on this note, is this: there is not one province in this country which has experienced more strikes in the last couple of years than Quebec. The hon. member for Calgary North talked about the lockout of dock workers in Montreal.

Mr. Woolliams: What about B.C.?

Mr. Orlikow: I am sure that even the hon. member for Calgary North would admit that my party has little influence in the province of Quebec. After all, Quebec is represented in this House mostly by members of the Liberal party. If any politicians are responsible for those strikes, the hon. member for Calgary North had better look across the way to the government side.

[Mr. Orlikow.]

The Acting Speaker (Mr. Boulanger): Is the House ready for the question? The question is on motion No. 1, in the hon. member for Hamilton West (Mr. Alexander). Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Boulanger): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Boulanger): In my opinion the nays have it.

Mr. Peters: Call in the members. The Conservatives are not rising. They are chicken.

Motion No. 1 (Mr. Alexander) negatived on division.

Mr. Alexander: Mr. Speaker, I rise on a point of order. May I change that and say I am rising on a question of privilege? An hon. member to my left has suggested that Her Majesty's Loyal Opposition is chicken.

Mr. Peters: Don't fight about it.

Mr. Alexander: If there was any fight, it resulted from the NDP's action in filibustering this amendment. Most of them never even mentioned the preamble.

Mr. Burton: That's a bloody lie and you know it.

An hon. Member: You can't say that here.

Mr. Burton: Well, I said it.

Mr. Alexander: Mr. Speaker, I do not want to become involved in any controversy with the hon. member who made an ungentlemanly remark.

Mr. Woolliams: He is not even in his seat.

Mr. Alexander: I think perhaps he has lost his ability to take cognizance of the place where he usually sits. In all fairness, Mr. Speaker, why should we call for a vote on this amendment at this particular time? After all, it was a mix-up on the government side that prevented the FISP bill from passing. An hon. member on the government side said, when the matter was put to the House, that it should not carry."

An hon. Member: Who said that?

Mr. Alexander: After that, the government brought forward the farm credit bill. An hon. member on the government side to the right of the Speaker prevented the passage of the FISP bill. It would have passed earlier this afternoon.

An hon. Member: Who was that hon. member?

Mr. Alexander: Just one moment. The government, in its confusion, hurriedly tried to bring forward another bill, the farm credit bill.

The Acting Speaker (Mr. Boulanger): Order, please.

Mr. Alexander: That bill was not proceeded with and the government brought forward the labour bill.

The Acting Speaker (Mr. Boulanger): Order, please. So far I have not heard anything that might constitute a question of privilege. From what I have heard, there is no question of privilege.

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

Mr. Alexander: Finding that it is close to that hour, may I call it ten o'clock?

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

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

[*Translation*]

PENSIONS—OLD AGE SECURITY—ALLEGED INTENTION OF QUEBEC GOVERNMENT TO CLAIM PART OF RECENT INCREASE—REQUEST FOR STATEMENT

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, on June 1 last, I put the following question to the Minister of National Health and Welfare:

Does the minister intend to make a statement on motions following the action taken recently by the Quebec government with regard to its intention of using part of the increase in the old age pensions which was granted through passage of Bill C-207?

The minister answered as follows:

No, it was not my intention, Mr. Speaker.

Mr. Speaker, I understand quite well why the minister did not intend to resume the discussion of the matter because he would have been compelled to say that Quebec had no other alternative than to increase the cost of staying in homes.

Thus pensioners find themselves with next to nothing. Not all of them, I agree, but certainly the poorest and those who, under federal-provincial agreements, will get next to nothing from the $15 increase which has been granted to them.

For instance, let us consider a few cases quoted by Miss Claire Dutrisac in *La Presse* of May 31 last.

Take a single person, aged 65. After a monthly estimation of his needs, that is, $90 for housing, $52 for food, clothing and personal expenses, $10 for a special diet and $5 for life insurance, we have a total of $157.

On the other hand, the income of that person is made up of the old age pension, plus the guaranteed income supplement, that is $137.70. The difference paid by the welfare service is therefore $19.30. Medical supplies are also paid by that service, although not directly to the beneficiary. So, in view of the $15 increase we voted, this person's income will be increased to $152.70.

The difference between the needs and the income would therefore amount to $4.30. This, then, will be the amount added to the allowance of the federal government, instead of $19.30.

To conclude, in that specific case, Mr. Speaker, this individual will not see one penny of the $15 monthly increase.

On the other hand, a single person of 65 who does not benefit from the welfare act because his needs have been evaluated at less than $137.70 will benefit fully from the $15 increase and will live off the $152.70 pension we have voted.

Mr. Speaker, this principle resembles that of the communicating vessels. It will be even more pronounced in the case of those who live in old people's homes. Those who used to receive $137.70 will get $152.70 retroactively to January 1, 1972. They now pay the institution $104 a month for room, board and services supplied by the home. Thus they have $33.70 left for personal expenses such as clothing, entertainment, tobacco and so on.

Now in a few days their pension will be increased to $110 a month. The sum remaining at thier disposal will therefore be $42.70. If the government of Quebec had not increased their pension, they would have $48.70 left. In other words, their $15 increase will in fact be cut down to $9 since they will have to give $6 more to the institution.

Mr. Speaker, in my opinion, the federal government should not so deceive. People of 65 or over do expect to get $15 per month more.

In fact, nearly 12,000 senior citizens of Quebec will see very little or no difference as a result of Bill C-207.

Mr. Speaker, I shall soon bring up this matter again in the House so as to make sure that the government is really taking its responsibilities towards the people who have built our country. I insist on it because we will be old one day and we will then realize the extreme importance of an equitable pension for all the old people.

Mr. André Ouellet (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I listened to the hon. member and I was wondering if those comments are really his own or belong to Miss Dutrisac.

In any case, if he wants to criticize the government's decision to increase the pension of the 1,800,000 individuals who will be getting additional payments, he is ill-advised to do so I think and if he accuses the federal government of failing to come to an understanding with the Quebec government I will remind him that the leader of his party in the House sharply criticized Mr. Castonguay when the latter took his decisions following the increases authorized by Ottawa.

The hon. member mentions the possibility that a decrease in supplementary benefits to welfare recipients would cancel the increase coming to some retired people.

I would reply that the officials of the Department of National Health and Welfare are presently studying the effects of the increases in the benefits paid as old age security pensions and as guaranteed income supplement on the benefits paid under the Canada Assistance Plan, and they are discussing all aspects of the matter with the representatives of the provinces. Even if the total number

of people involved at the present time equals a small percentage only of the number of pensioners, the federal government plans to examine every possible means to keep them from being short-changed in any way.

On the subject of that increase, I would also like to say that from the human point of view most Canadians have approved the government move to increase the old age security pensions and the guaranteed income supplement.

The substantial difference between the rates of payments to people aged 65 and over and to people under 65 quite clearly illustrates what regard we have for our senior citizens. A quick survey of levels of payments to elderly people in all provinces has demonstrated that such levels are lower in all the provinces than those made by the federal government. Quebec is not the only province in this situation, although it is the only one to have voiced criticisms.

In closing, Mr. Speaker, I should like to say that this decision taken by the federal government may have brought pressure to bear on Mr. Castonguay. However there is a course he can resort to, should he find such pressure too strong. He can always increase benefits to welfare recipients between 55 and 65 years old and, it is known, the federal government would share these expenditures, assuming 50 per cent thereof.

[*English*]

CONSUMER AFFAIRS—INCREASE IN COST OF FOOD—MEASURES TO ASSIST LOW-INCOME CONSUMERS

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, evidence continues to pile up that the consumer is being made to pay higher prices for food in the supermarkets while at the same time the profits of the huge food chains are increasing. Today's *Globe and Mail* reports that the cost of 147 food items in major food chains in metropolitan Toronto hit a record high in February of this year, according to a graph produced by the Ontario Food Council. The same 147 items which sold for just over $55 on December 9, 1970, cost $62 on February 9, 1972.

The council secretary said much of the increase was due to the cost of beef and pork and, in a smaller way, the increased cost of poultry. These are nutrition-necessary protein foods. In spite of the slump in prices due to the late price war and other dips due to various factors, the council secretary says prices are now on the rise again.

Who is responsible for these price rises? Clearly not the farmer. A correspondent in Calgary reports that some farmer friends of his received from 19 to 26 cents a pound on the hoof for lambs in 1971 and only 19 to 33 cents a pound for lambs this year in Calgary. In June of this year the Safeway chain in Calgary was charging $1.95 a pound for lamb chops which, my correspondent adds, "were so tough they must have been mutton". Not much fat in those chops for the farmer!

As to poultry prices to the farmer, just today in the House the Minister of Agriculture (Mr. Olson) announced the slaughter of one million chickens in Canada for the purpose of keeping up prices for the farmer and ensuring that the egg market would not be depressed by an oversupply of cheap eggs. Speaking in the House on June 1, my hon. friend from Yorkton-Melville (Mr. Nystrom) pointed out that in 1949 the farmer received 57 cents of the consumer's dollar. Twenty years later, in 1969, he received only 45 cents. My hon. friend believed that by last year the farmer's share had dropped to only 40 cents. So we need not waste time blaming the farmer. Like the consumer, he is on the losing end.

Nor is the need for a government spokesman to assure me that Canada has lower food prices than Outer Mongolia or Timbuctu. The consumers of this country can put two and two together. If the farmers are not getting a larger share of the food dollar and if food prices are rising, someone between them and the farmer is grabbing the difference. We want to know who it is. That is what I want the government to find out. If the Department of Consumer and Corporate Affairs is worth anything, it is supposed to look after the interests of consumers as well as of corporations. But when the proposed competition act was introduced, the big corporations of Canada protested so vigorously that the bill was withdrawn. Why was this so? Because it contained some provisions to protect consumers.

• (2210)

The chairman of the federally-appointed Canadian Consumer Council said recently that the government's decision to revise this bill was "an act of political expediency" and the "result of an unbalanced dialogue" since only two or three out of a total of 300 briefs represented consumer interests.

Big corporations are well organized and well heeled. They can afford to travel, to hire experts to prepare briefs and to make their case for special privilege, while consumers are unable to protect themselves. Who, then, is to protect the consumer by delving into the facts and getting at the reasons for the relentless rise in food prices? Who is going to see to it that better ways are found of protecting the farmer than slaughtering one million chickens while thousands of Canadian families and millions of other families elsewhere need the protein they represent?

I firmly believe that only one agency can and should take responsibility for these problems, and that agency is this government. I urge once again that it begin to discharge that responsibility by conducting an investigation into rising food prices—a public investigation with witnesses from every sector of the food industry from the farm to the supermarket shelf—and that consumers be among the witnesses and the audience. Until this is done and the facts are known, the public will continue to suffer blindly, the government will continue to evade its responsibility and food prices will continue to rise.

Mr. D. R. Tolmie (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, the hon. member stated that between April, 1971, and April, 1972, the cost of food used in the home rose by twice as much as the cost of living generally. The food component of the consumer price index rose from 131.5 in April, 1970, to 138.3 in April, 1972, an increase of 6.8 points. The consumer price index rose in the same period from 129.7 to 138.2, an increase of 8.5 points.

The use of the period April 1, 1971, to April 1, 1972, gives a false impression of trends in food prices because a large

part of the increase during 1971 represented a readjustment following the price war among the supermarkets which began in 1970. From September to December, 1970, the food component of the consumer price index declined from 130 to 125.6, or 4.4 points.

Proceedings on Adjournment Motion

The recently announced budget makes special reference to the problems of low-income consumer groups, in particular elderly Canadians, through the adjustment of old age pensions in accordance with the cost of living and an increase in the guaranteed income supplement for needy, elderly Canadians.

Motion agreed to and the House adjourned at 10.15 p.m.

HOUSE OF COMMONS

Wednesday, June 28, 1972

The House met at 2 p.m.

PRIVILEGE

MR. McGRATH—CONSTRUCTION OF OIL REFINERY AT COME-BY-CHANCE—MANNER OF RELEASE OF STOP-ORDER STATEMENT

Mr. James A. McGrath (St. John's East): Mr. Speaker, I rise on a question of privilege, notice of which has been given to Your Honour in accordance with the Standing Order. My question of privilege, in my view, affects the rights of all hon. members of the House.

Yesterday the Minister of the Environment and Fisheries released a statement to the Press Gallery in which the minister announced that a "stop-order" had been issued on the construction of the new oil refinery at Come-by-Chance, Newfoundland, in accordance with the provisions of sections 33(1) and 33(2) of the Fisheries Act. This is a very important statement and one that should have been made in the House in accordance with well-established practice. The minister does have the right to make a statement outside the House. My question of privilege, however, is based on the fact that the minister did not release copies of the statement to members of the House until this morning, thereby denying us the right to question the minister in the House yesterday. There is provision in the rules under Standing Order 41(2) to table statements in the House. The minister, in failing to do so and in failing to provide members of the House with copies of his statement at the time of its release to the press, in my opinion, is guilty of flagrantly violating the rules and practices of the House. If Your Honour rules that I have a prima facie question of privilege, I would move that the matter be referred to the Standing Committee on Privileges and Elections.

Mr. Speaker: The hon. member for St. John's East has given the Chair notice of his intention to raise this matter by way of an alleged or suggested breach of the privileges of the House. With respect, I must advise the hon. member and the House that, after having given the matter due consideration, because the hon. member had given the Chair notice of his intention to raise this matter, I find it difficult to agree with the contention of the hon. member that this matter should be considered by a committee of the House.

The hon. member claims that copies of the minister's statement should have been distributed to hon. members so that they could have been given an opportunity to ask questions in the House. It seems to me, without trying to pass judgment on whether or not the statement should have been made in the House, that the questions that could have been asked yesterday can be asked today. There will be a question period in a short while, and I would think that the hon. member will have the same rights today as he had yesterday.

I recognize, as does the hon. member, that under the provisions of Standing Order 41(2) a minister of the Crown is entitled to table certain documents. However, the Standing Order does not provide that the minister is obligated to table a statement and there is no provision in the Standing Orders to the effect that a statement should be made in the House rather than outside the House.

In view of all these considerations, I doubt very much that hon. members would expect the Chair to authorize the initiation of a debate on this matter which would eventually, perhaps, lead to the matter being sent to the Standing Committee on Privileges and Elections. I cannot see my way clear to ruling that there is a prima facie breach of parliamentary privilege, and I would not think the hon. member's motion should be put to the House.

• (1410)

ROUTINE PROCEEDINGS

ENERGY

TABLING OF EXPANDED GUIDELINES FOR NORTHERN PIPE LINES

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am pleased to table in both official languages two copies each of the expanded guidelines for northern pipe lines.

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ENVIRONMENTAL AFFAIRS

ORDER STOPPING CONSTRUCTION OF COME-BY-CHANCE OIL REFINERY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I would like to move a motion under Standing Order 43 on a matter of urgent and pressing necessity. Based on the announcement of the Minister of the Environment and Fisheries yesterday invoking section 33 of the Fisheries Act with respect to the Come-By-Chance oil refinery I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That the whole matter be referred to the Standing Committee on Fisheries and Forestry for examination of the contents and inquiry into the implications of the said ministerial statement.

Mr. Speaker: The House has heard the motion proposed by the hon. member for St. John's West under the terms of Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent. The hon. member's motion cannot be put.

* * *

GRAIN

ALLEGED FINANCIAL ADVANTAGE GAINED BY FARMERS THROUGH WITHDRAWAL OF INCOME STABILIZATION BILL—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Bill Knight (Assiniboia): Mr. Speaker, I rise pursuant to Standing Order 43 to move a motion in a case of urgent and pressing necessity arising out of the fact revealed last night in the Standing Committee on Agriculture at which witnesses from the Canadian Wheat Board were present, namely, that western farmers gained approximately $100 million by virtue of the withdrawal of the grain income stabilization bill. I therefore move, seconded by the hon. member for Saskatoon-Biggar (Mr. Gleave):

That the Standing Committee on Agriculture investigate the revelation made yesterday at that committee to the effect that western farmers gained a considerable financial advantage by virtue of the withdrawal of the grain income stabilization bill, introduced in the House last year by the minister responsible for the Canadian Wheat Board, a fact which is contrary to the statements made last fall in the House of Commons—

Mr. Speaker: Order, please. Is the hon. member going to indicate what the motion is? I think there might be something irregular in hon. members introducing motions that in themselves are so long that they are speeches. It is easy, I suggest, for hon. members to circumvent the rules which provide that there should be a brief explanation of the motion if the motion in fact is a speech in itself. Again I say that the hon. member should indicate what the motion is. I might say in passing that I have some doubts as to the regularity of this motion.

Mr. Knight: The motion is:

That the Standing Committee on Agriculture investigate the revelation made yesterday at that committee to the effect that western farmers gained a considerable financial advantage by virtue of the withdrawal of the grain income stabilization bill, introduced in the House last year by the minister responsible for the Canadian Wheat Board, a fact which is contrary to the statements made last fall in the House of Commons by the minister in charge of the Canadian Wheat Board, and that the standing committee report on its findings to the House as soon as possible.

Mr. Speaker: As I indicated a moment ago, I have serious doubts about the regularity of the motion. It seems to me that the hon. member's motion refers to proceedings in a committee. I will take the matter under advisement and indicate to the House later whether I should ascertain if there is unanimous consent of the House to put the motion.

[Mr. Carter.]

Mr. Knight: On a point of order, Mr. Speaker, the motion is one of referral, based on the short experience I have had in terms of the House sending important questions to standing committees of the House. That is how the motion reads. If this was not clear, the motion is that the matter be sent to the Standing Committee on Agriculture.

[*Later:*]

Mr. Speaker: I might at this point refer to the motion proposed earlier by the hon. member for Assiniboia. I refer him to citation 324 of Beauchesne's Fourth Edition, which reads as follows:

Until the report and evidence have been laid upon the Table, it is irregular to refer to them in debate, or to put questions in reference to the proceedings of the committee.

The hon. member's motion makes reference to proceedings in a committee and because of this it cannot be put.

* * *

EXTERNAL AFFAIRS

IMPENDING NUCLEAR TEST BY FRANCE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, not wishing to try your patience too much further, I have a regular and brief motion under Standing Order 43.

In view of President Pompidou's statement confirming France's determination to continue atmospheric nuclear tests in the South Pacific, and in view of the fact that Australia, New Zealand and a number of Latin American states have expressed united opposition to these tests, even to the point of threatening to withdraw diplomatic relations, I seek unanimous consent under Standing Order 43 to move the following resolution, seconded by the hon. member for Kootenay West (Mr. Harding):

Whereas continued testing of nuclear warheads by any nation anticipates a threat to human life on this planet, and

Whereas a yet unconfirmed report emanating from Australia that the *Greenpeace* crew has been incarcerated in a military hospital in Tahiti;

Therefore this House of Commons calls upon the government of France to cease all further tests and urges the Prime Minister to request immediately of the Ambassador of France that he confirm or deny whether or not the integrity of a Canadian vessel has been violated on the high seas.

Mr. Speaker: Order, please. Again, I have serious doubts as to the regularity of this motion. Hon. members will appreciate that even motions put forward under the terms of Standing Order 43 must follow the rules of the House. It is a long established rule that a motion should not include "whereas" clauses. This motion contains "whereas" clauses and I suggest to the hon. member that it is entirely out of order for that reason. But rather than rule the motion unacceptable on that ground it might be easier to ask whether there is unanimous consent. If there is unanimous agreement it will be put. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not. Therefore the hon. member's irregular motion cannot be put.

* * *

GRAIN

LETTERS TO WESTERN FARMERS ALLEGEDLY PROMISING CERTAIN PAYMENTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I rise to put a motion under the terms of Standing Order 43. The subject matter has to do with facts which were revealed yesterday evening at a meeting of the Standing Committee on Agriculture at which officials of the Canadian Wheat Board were present. I move:

That the Standing Committee on Agriculture meet forthwith and examine the mailing of letters last July and August to western farmers, promising payments of $1.45 per eligible acre, and specifically, whether Statistics Canada, Winnipeg, or the Canadian Wheat Board were the originators of these letters; and that the Standing Committee on Agriculture report to this House by the end of this session.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent. The motion cannot be put.

* * *

CRIMINAL CODE

AMENDMENT TO AUTHORIZE OPERATION OF OFF-TRACK BETTING ESTABLISHMENTS LICENSED BY PROVINCES

Hon. Otto E. Lang (Minister of Justice) moved for leave to introduce Bill C-225, to amend the Criminal Code in respect of off-track betting.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

UIC—REQUESTS FOR GUIDANCE

Question No. 20—**Mr. Marshall:**

In the development project carried out by the Department of Labour and the practices which were field-tested in various Canadian cities (a) how many widows approached the UIC for advice on pension matters (b) how many people with a mental condition approached the UIC office for guidance (c) what were the results of these cases?

[*Translation*]

Hon. Bryce Mackasey (Minister of Manpower and Immigration): (a), (b) and (c): The Commission does not keep statistics on this.

[*English*]

PARLIAMENT HILL—RECONSTRUCTION OF SCENIC WALK

Question No. 88—**Mr. Nesbitt:**

1. Is the government giving consideration to the re-opening of the scenic walk around Parliament Hill, formerly known as "Lovers' Lane"?

2. Could such re-opening be partly a winter works project?

3. What would be the estimated cost of such project?

Hon. Ron Basford (Minister of State for Urban Affairs): In so far as the National Capital Commission is concerned: 1. Reconstruction of the walk was considered but was ruled out because of erosion, scarring of Parliament Hill and other factors. Instead, the government has decided that a promenade will be built around the base of the Hill.

2. N/A

3. $750,000.

NUMBER OF WORKERS INVOLVED IN WORK STOPPAGES IN CANADA 1968-70

Question No. 268—**Mr. Yewchuk:**

1. By province, how many members of (a) American controlled international unions (b) national and regional unions, went on strike during 1968, 1969 and 1970?

2. For the period 1968 to November 30, 1971, how many manufacturing plants closed down?

3. Were the workers employed in these plants members of (a) international unions (b) national and regional unions?

4. What was the total amount of union fees paid by Canadians to international unions for the years 1969 and 1970?

5. If this information is not available, does the government intend to look into this matter in 1972 or 1973 and, if not, for what reasons?

6. Does the government plan to introduce legislation which would make Canadian trade unions independent of American unions and, if not, for what reasons?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Labour and by Statistics Canada as follows: 1. The number of workers involved in work stoppages in which the unions involved were (a) international and (b) national and regional, during 1968, 1969 and 1970 in each of the Canadian jurisdictions is given in the table. A third category "Others", includes cases where the work stoppages involved unorganized workers or where it was not possible to classify unions under (a) or (b) categories because of the involvement of several unions in the same work stoppage. The term jurisdiction corresponds to province except in the case of "Federal." Work stoppages in the federal jurisdiction may occur in one or more provinces, but the workers involved are not distributed geographically. Included under "Federal" are federal industries and the federal public service.

2. Information not available.

3. Information not available.

Questions

4. The union fees paid to international unions by Canadian members were: 1968, $41,514,000; 1969, $41,377,000; 1970, not available.

5 and 6. Any government policy on this matter will be announced at the appropriate time.

NUMBER OF WORKERS INVOLVED IN WORK STOPPAGES IN CANADA BY JURISDICTION AND BY INTERNATIONAL AND NATIONAL OR REGIONAL UNIONS, 1968, 1969, 1970

Jurisdiction	1968 Number of Workers			1969 Number of Workers			1970 Number of Workers		
	International Unions	National or Regional Unions	Others[1]	International Unions	National or Regional Unions	Others[1]	International Unions	National or Regional Unions	Others[1]
Newfoundland	1,649	—	201	2,384	—	1,506	609	80	192
Prince Edward Island	9	—	—	—	851	—	125	—	—
Nova Scotia	2,418	589	1,595	8,967	1,943	9,540	11,930	2,086	12,742
New Brunswick	1,773	—	200	1,301		417	21,223	960	1,062
Quebec	11,580	13,853	1,119	24,506	78,635	94	13,188	59,834	167
Ontario	129,380	5,384	1,643	84,120	9,982	36,797	63,646	2,311	15,635
Manitoba	991	—	—	644	50	—	1,997	20	—
Saskatchewan	2,054	7	575	929	515	928	1,170	481	300
Alberta	2,215	64	—	1,900	321	—	432	1,579	500
British Columbia	12,562	2,224	1,737	13,511	3,025	1,581	10,923	6,479	15,970
Federal[2]	3,653	26,087	—	13,161	9,191	—	8,295	26,770	—
Total	168,284	48,208	7,070	151,423	104,513	50,863	114,538	100,600	46,568

[1] Includes workers who are unorganized, or those whom it was not possible to classify under (*a*) international or (*b*) national or regional because of the involvement of a number of unions in the same work stoppage.

[2] Includes cases in federal industries and in the federal public service.

LORNEVILLE, NEW BRUNSWICK—STUDIES CARRIED OUT BY FEDERAL GOVERNMENT

Question No. 390—**Mr. Robinson:**

Is a study being carried out of the Lorneville, New Brunswick Development and, if so (a) what is the estimated cost of the study (b) how much of the cost is to be paid by the federal government?

Mr. Eymard Corbin (Parliamentary Secretary to Minister of the Environment): Yes. An ecological protection study is being carried out at Lorneville, (a) $23,000; (b) 80 per cent.

CANADIAN TRADE FAIR, PEKING—AGRICULTURAL EXHIBIT

Question No. 525—**Mr. Knight:**

What are the names of the 14 agricultural and livestock firms that have been accepted to show displays at the Canadian Trade Fair in Peking in August?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): The names of the agricultural organizations* which will have displays in the agricultural exhibit at the Canadian trade exposition in Peking are as follows: The Canadian Wheat Board, The Canadian Grains Commission, The Canada Grains Council, The Rapeseed Association of Canada, The Canadian Renderers Association, The Canadian Seed Growers Association, The Ontario Fluecured Tobacco Growers Marketing Board, The Canadian Pork Council, The Canadian Joint Beef Breeds Association, The Joint Dairy Breeds of Canada, The Canadian Committee of Animal Breeders, The Canadian Poultry Breeders Export Group, The Department of Industry, Trade and Commerce.

*The fourteenth firm, while not representative of the agricultural sector is the B.C. Fisheries Association.

EXPORT MARKETS FOR CANADIAN-MADE SHOES AND BOOTS

Question No. 565—**Mr. Yewchuk:**

To date, what action has been taken by the Department of Industry, Trade and Commerce to secure markets for Canadian-made shoes and boots in (a) Africa (b) People's Republic of China (c) U.S.S.R. (d) US (e) Yugoslavia?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): (a) None. The bulk of the footwear used in Africa is manufactured locally. This market is supplied from "low-cost countries" in view of the fact that footwear demand is for a low-cost footwear not normally manufactured in Canada. (b) In discussions between Chinese officials and departmental representatives, including the arrangements for the Canadian Trade Exposition in Peking in August, it has been made clear that the Chinese authorities are unwilling to allocate their limited foreign exchange to pay for imports of consumer goods—particularly footwear which can be supplied locally. (c) and (e) No action has been taken by the Department to secure markets for Canadian-made shoes and boots in the USSR and Yugoslavia. Wage differentials and other costs between Canada and these two countries make it difficult to penetrate this market. (d) A cost benefit analysis of export opportunities has indicated that the best

results could be obtained on the U.S. footwear market and U.S. market penetration has been the Department's priority. The following activities have been undertaken by the Department to assist Canadian manufacturers in securing export markets in the U.S.

1. The Department has sponsored incoming buyers' missions from the United States in 1969 and 1970.

2. In 1971, financial support was given to the advertising campaign in selected trade media for the Canadian Shoe and Leather Fair. This support is again being given in 1972.

3. Financial assistance was extended to footwear manufacturers taking sample rooms in regional shoe fairs in the United States in 1970.

4. The regional offices of the Trade Commissioner Service offer direct assistance to Canadian exporters by directing them and arranging appointments with U.S. buyers and marketing agents. They also direct U.S. importers to Canadian manufacturers.

5. The Department commissioned a comprehensive marketing study of the U.S. market by Canadian consultants. This report was distributed in February 1972 to all Canadian footwear manufacturers.

6. Export encouragement and marketing advice is extended to all Canadian manufacturers by the Department.

CANADA ASSISTANCE PLAN

Question No. 599—**Mr. Robinson:**

Will the government consider the advisability of recommending to provincial governments that welfare recipients be allowed to earn moneys to supplement their income up to the poverty level enunciated by the Economic Council of Canada without having welfare allotment reduced?

Hon. John C. Munro (Minister of National Health and Welfare): The Department of National Health and Welfare, in discussions with provincial welfare departments, has made it clear that provincial social assistance programs which provide for recipients retaining specified amounts of earned income are eligible for sharing under the Canada Assistance Plan. In some provinces, an amount of up to $100 per month may be earned without effecting a reduction in the social assistance payment.

DEMPSTER HIGHWAY, YUKON

Question No. 604—**Mr. Howard (Skeena):**

1. How many miles of the so-called Dempster Highway in the Yukon have been constructed and what has been the cost to date of building the said Highway?

2. Is the construction of the said Highway to be continued and, if so, what is its ultimate destination and what is the estimated cost of reaching that destination?

Mr. Allen B. Sulatycky (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. At the end of 1971, 158 miles had been completed at a cost of $7,650,000

2. Yes. The Dempster Highway will ultimately join the Mackenzie Highway at Arctic Red River. The estimated cost of reaching Arctic Red River will be approximately $21,000,000 over and above the $7,650,000 already spent.

EXPORTS OF CANADIAN DAIRY PRODUCTS

Question No. 609—**Mr. Yewchuk:**

To date, what form of consultation and co-operation has taken place between the Department of Agriculture and the Department of Industry, Trade and Commerce for the specific purpose of increasing and improving the export trade of Canadian dairy products?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): In so far as the Department of Agriculture is concerned: Officials of the Department and the Canadian Dairy Commission are in continuous consultation with their counterparts in the Department of Industry, Trade and Commerce for the purpose of maintaining and expanding access and sales for Canadian exports of dairy products. In so far as the Department of Industry, Trade and Commerce is concerned: Officials of the Department consult and cooperate on a continuous basis with officials of the Canada Department of Agriculture and the Canadian Dairy Commission. Policies, programs and export marketing activities relating to the expansion of export trade for Canadian dairy products are discussed fully and implemented on a cooperative basis.

EMPLOYMENT SUPPORT BILL

Question No. 628—**Mr. Burton:**

1. What are the estimated total expenditures that the government will incur as a result of the passage of the Employment Support Bill?

2. What expenditures have been made and what are the total expenditures estimated to be incurred as a result of the following commitments made by the Agricultural Stabilization Board to offset difficulties during the period when the United States 10 per cent surtax was in effect (a) offer of a special subsidy of 50 cents per bird for fowl slaughtered during an eight-week period providing the number slaughtered exceeded the normal kill in the period; the subsidy to be pro-rated among all producers (b) offer to purchase and can up to four million pounds of eviscerated turkeys (c) offer to purchase Canada No. 1 potatoes at $1.50 per hundredweight (d) an offer to the Canadian Horticultural Council for market promotion of fresh apples (e) offer of a supplementary subsidy of 1½ cents per pound to blueberry producers on products delivered in the period August 16 to October 15, 1971?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Industry, Trade and Commerce and Agriculture as follows: 1. $11,200,000.

2.

	Expenditures to May 26/72	Total Estimated Expenditures
	$	$
(a) Fowl slaughter	nil	nil
(b) Turkey (APB)	1,411,576	1,800,000
(c) Potatoes	1,315,893	2,225,000
(d) Fresh apples	105,904	105,904
(e) Blueberries	225,842	250,000

Questions

CANADIAN POLICY TOWARD GERMAN DEMOCRATIC REPUBLIC

Question No. 638—**Mr. Macquarrie:**

1. Is the government considering granting MFN (most favoured nation) tariff treatment to the German Democratic Republic?

2. Is the government considering the admission into Canada of trade commissioners from the German Democratic Republic?

3. Is the government considering changing its policy of refusing to grant visas to journalists from the German Democratic Republic?

4. Has the government been in negotiation with the German Democratic Republic regarding the above three matters?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the departments of External Affairs, Industry, Trade and Commerce and Manpower and Immigration, as follows: 1. For the past two years, the Government has sought through unofficial means to put our trade with the GDR on a MFN (most favoured nation) basis.

2. An unofficial arrangement providing mutual MFN treatment would facilitate consideration of any proposal for the establishment of an unofficial East German trade office in Canada.

3. The Government has no policy of refusing visas to East German journalists. They come under the same regulations as any other visitor from the German Democratic Republic.

4. Since Canada does not recognize the German Democratic Republic, there can be no contact at the governmental level. The Government of the German Democratic Republic is, however, aware of our position on these three questions.

*RAILWAY ACT—PROVISION OF FUNDS FOR BETTER FENCING OF RIGHTS OF WAY

Question No. 622—**Mr. Ryan:**

Is the Minister of Transport considering amending the Railway Act to provide funds for better fencing of rights of way in urban areas for protection of the public?

[*Translation*]

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, section 214 of the Railway Act deals with "fences, gates and cattle-guards" at railway crossings. For the time being the Department of Transport is not considering an amendment to the Railway Act in that respect.

[*English*]

TAXATION OF STRIKE PAY

Question No. 691—**Mr. Robinson:**

Is any consideration being given to the inclusion of strike pay as income for taxation purposes?

Hon. John N. Turner (Minister of Finance): This is a matter of government policy. Should the government decide to include strike pay as income for taxation purposes, it would be announced in the appropriate manner.

[Mr. Jerome.]

CORPORATION AND LABOUR UNIONS RETURNS ACT REPORT, 1968

Question No. 705—**Mr. Blair:**

1. Was the 1968 Corporations and Labour Unions Returns Act Report on Labour Unions reprinted after it had been approved for Tabling in Parliament in order to delete critical references to international unions?

2. Were any representations received from international unions requesting the alteration of the Report?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: 1. No. The Corporations and Labour Unions Returns Act Report, Part II—1968—which summarizes returns made by labour unions under the Act was completed in draft form and printed while the Dominion Statistician was out of the country. It was held for review and approval of the Dominion Statistician on his return. Some parts of the textual material of the report were not considered to be appropriate and therefore it became necessary to amend the text and correct some typographical errors before presentation to the Minister of Industry, Trade and Commerce for tabling in Parliament. No charts or other summary tables were altered or deleted from the original draft on which the analyses were based.

2. At no time between the original drafting of the report and tabling in Parliament was there any discussion concerning content of the report with anyone connected with any union organizations nor were any copies of the original draft made available to any union officials or organizations.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

FEDERAL EXPENDITURES IN RICHMOND CONSTITUENCY

Question No. 59—**Mr. Beaudoin:**

1. Since 1960, what was the total amount spent or invested by the federal government in the constituency of Richmond?

2. What projects have been carried out or are planned?

3. Where are they located?

4. What amount is invested by the federal government in each project?

5. Does the government intend to spend money in the constituency of Richmond in the near future and, if so, how much and in what areas?

Return tabled.

PUBLIC RELATIONS FIRMS COMMISSIONED BY GOVERNMENT

Question No. 148—**Mr. Orlikow:**

What public relations firms and economic and social research organizations commissioned by government departments, agencies or Crown corporations have been hired or given contracts to produce pamphlets, brochures, economic surveys, etc., to explain government policies to the public and (a) by what department or agency were they hired (b) for what specific task were they hired (c) what amount did they receive (d) was the firm chosen by asking for tenders and, if not, how was the choice made?

Return tabled.

TOTAL PAYROLL OF FEDERAL DEPARTMENTS AND AGENCIES

Question No. 190—**Mr. Orlikow:**

1. What was the total full-time payroll, by sex, of each of the federal departments and agencies as of April 1, 1968?

2. How many persons, by sex, were earning more than $15,000 annually, distributed according to $1,000 intervals?

3. What was the total full-time payroll, by sex, of each of the federal departments and agencies as of April 1, 1971?

4. How many persons, by sex, were earning more than $18,000 annually, distributed according to $1,000 intervals?

Return tabled.

MURDERS IN CANADA

Question No. 254—**Mr. Forest:**

1. Since 1960, and per year, how many murders were committed (a) in Canada (b) per province (c) in Montreal, Toronto and Vancouver?

2. Since 1967, and per year, how many policemen, constables, sheriffs or other such persons employed for the maintenance of the public peace, acting in the course of their duties, have been killed (a) in Canada (b) per province?

3. Since 1967, and per year, how many wardens, jailers or other employees of a prison, acting in the course of their duties, have been killed (a) in Canada (b) per province?

4. Since 1967, and per year, how many death sentences have been commuted, in the case of homicide of policemen, constables, sheriffs, prison wardens, jailers or other such persons, acting in the course of their duties?

5. Since 1960, and per year since, how many persons sentenced to (a) perpetual imprisonment (b) for a period of over twenty years, for homicide, have had their sentence reduced or would have been conditionally liberated?

Return tabled.

DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE—PUBLICITY AND INFORMATION EXPENDITURES

Question No. 480—**Mr. Nystrom:**

1. What were the amounts spent by the Department of Industry, Trade and Commerce on publicity and/or information in the fiscal year 1970-71?

2. (a) What were the names and addresses of firms with which the Department of Industry, Trade and Commerce entered into contract in 1970-71 for the purpose of publicity and/or information (b) what were the amounts of money involved in each case (c) what was the specific purpose of each contract?

3. (a) What were the amounts provided in the main and supplementary estimates of the Department of Industry, Trade and Commerce for the fiscal year 1971-72 for the purpose of publicity and/or information (b) what amounts were spent or contracted for to date (c) what are the names and addresses of private firms with which the Department of Industry, Trade and Commerce entered into contract (d) what are the amounts of money involved in each case (e) what is the specific purpose of each contract?

Return tabled.

EXTERNAL AFFAIRS—DIPLOMATIC ESTABLISHMENTS

Question No. 519—**Mr. Blackburn:**

1. At what level does Canada maintain diplomatic relations with (a) Algeria (b) Bahrain (c) Egypt (d) Federation of Arab Emirates (e) Iran (f) Iraq (g) Israel (h) Jordan (i) Kuwait (j) Lebanon (k) Libya (l) Mauritania (m) Morocco (n) People's Democratic Republic of Yemen (o) Republic of Yemen (p) Saudi Arabia (q) Sudan (r) Syria (s) Tunisia (t) Turkey?

2. (a) In which of these states does Canada maintain consulates separate from embassies, and where are these consulates located (b) where Canada recognizes these states but does not maintain permanent diplomatic establishments, how are the consular needs of visiting Canadian nationals met?

3. In those states listed in part 1 where Canada maintains permanent local diplomatic establishments (a) what is the total number of staff in each case (b) what number represents Canadian nationals (c) what number represents nationals of the host state hired locally?

4. In those states listed in part 1 where Canada maintains local diplomatic establishments (a) what are the latest total annual cost figures in each case, including salaries at all levels and general operating costs (b) what number of Canadian foreign service officers (diplomatic and commercial) have a speaking and reading knowledge of the native languages, specifically Arabic, Turkish, Persian and Hebrew where applicable (c) what provision does the Department of External Affairs make for the training of such officers in the Arabic, Turkish, Persian and Hebrew languages, and from what institutions, domestic or foreign, is such language training received (d) what provision does the Department make for the introduction of such officers to non-linguistic aspects of the cultures of the Middle East and North Africa, and by what institutions, domestic or foreign, is such training provided (e) in its policy for hiring trainees for the foreign service (diplomatic and commercial), does the Department take any special interest in applicants whose university education has included a solid training in area studies, including linguistic competence in the languages of the non-Western world?

Return tabled.

CANADA MANPOWER TRAINING PROGRAM—AGRICULTURE COURSES

Question No. 551—**Mr. Mazankowski:**

1. How many Agriculture Training Program courses were offered by the Department of Manpower and Immigration under the auspices of the Canada Manpower Training Program, by province?

2. How many people participated in these courses, by province, and what was the total cost by province?

3. What was the average amount paid to an individual while participating in such courses, by province?

4. What was the duration of such courses?

5. Is each province consulted as to content and formulation of course of studies and, if so, how is this undertaken?

6. Are individual municipalities consulted as to content and formulation of study courses before the program is instituted and, if not, for what reason?

7. What are the criteria for selection for people to participate, by province?

8. Who are the present members of the Alberta Manpower Committee, including government and farm organizations?

9. Who participated in the eleven Farm Management Courses offered in Alberta in 1971-72?

Return tabled.

• (1420)

Mr. McCleave: Mr. Speaker, on a question of personal privilege I should like to draw the attention of the ministry and the House to the interesting circumstance that starred question No. 476, which has been on the order paper since March 29 and for which this might be the last clear date on which to provide an answer, has not been answered.

Mr. Jerome: Mr. Speaker, I should like to indicate to the House at this time that, in keeping with the practice that has prevailed on some occasions in the past when the House has risen for an extended recess on a Friday, we are endeavouring to continue during the rest of this week to answer as many questions as possible. I am hopeful that we will be in a position to deposit answers to quite a substantial number of questions on Friday. This will, of course, require unanimous consent to call written questions, but we shall be seeking such consent.

Mr. Broadbent: Mr. Speaker, I should like to inquire whether or not it would be possible to answer question No. 425 which has been on the order paper for fully three months. It pertains to grants and other forms of financial assistance to some 95 corporations. It seems to me, given the possibility of an election coming up soon, that the answer to this question could be rather pertinent.

MOTIONS FOR PAPERS

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion for the production of papers No. 48 is acceptable to the government.

CONTRACTS DEALING WITH PUBLICITY FOR DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE

Motion No. 48—**Mr. Nystrom:**

That an Order of the House do issue for copies of all contracts dealing with publicity and/or information entered into by the Department of Industry, Trade and Commerce in the fiscal years 1970-71 and 1971-72.

Motion agreed to.

Mr. Jerome: Mr. Speaker, notice of motion for the production of papers No. 58 is acceptable to the government subject to the usual reservations concerning confidential documents and the authorization of the government authorities concerned.

[*Translation*]

Mr. Speaker: Subject to the reservations mentioned by the parliamentary secretary, does the House agree to consider notice of motion No. 58 as passed?

Some hon. Members: Agreed.

[*English*]

CORRESPONDENCE BETWEEN GREAT BRITAIN AND CANADA RELATING TO SUFFIELD EXPERIMENTAL STATION, ALBERTA

Motion No. 58—**Mr. Lambert (Edmonton West):**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of the Agreement or an exchange of correspondence between the Government of Great Britain and the Government of Canada governing the use and terms of such use of that portion of the Suffield experimental station in Alberta for training purposes by British troops, including British armoured vehicles.

[Mr. McCleave.]

Motion agreed to.

Mr. Jerome: Would you be so kind as to call notices of motions Nos. 5, 22, 34, 46 and 68.

COPY OF REPORTS ON USAGE OF MARIJUANA

Motion No. 5—**Mr. McIntosh:**

That an Order of the House do issue for a copy of all reports or other documents relating to tests or experiments conducted to date by or on order of the Department of National Health and Welfare on usage of marijuana.

Mr. Baldwin: Mr. Speaker, I move this motion on the hon. member's behalf.

[*Translation*]

Mr. André Ouellet (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, all marijuana experiments sponsored by the department have been made public. Interim reports must remain classified in order to avoid misinterpretation of inconclusive discoveries. The department has also supplied the Le Dain Commission with chemical analysis of drugs, therefore the discoveries belong to the commission.

Mr. Speaker: Order, please. The parliamentary secretary should indicate whether he is prepared to table the papers requested by the hon. member for Swift Current-Maple Creek.

Mr. Ouellet: For the aforementioned reasons, Mr. Speaker, I would ask the hon. member to withdraw his motion.

[*English*]

Mr. Baldwin: Mr. Speaker, we think that all of these reports paid for by the taxpayers should be made available, so we should like the question to be put.

Mr. Jerome: Transfer for debate.

Mr. Speaker: Transferred for debate.

COPY OF CONSULTANT REPORT BY ECONOMIST INTELLIGENCE UNIT FOR DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE—1966-67

Motion No. 22—**Mr. Skoberg:**

That an Order of the House do issue for a copy of the consultant report by the Economist Intelligence Unit on guidance and assessment of the Canadian textile industry, undertaken for the Department of Industry, Trade and Commerce in the fiscal year 1966-67, as mentioned in answer to Question Number 1,323 of the 1st Session of this Parliament.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I move this motion on the hon. member's behalf.

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, the hon. member for Moose Jaw has asked previously that a copy of the consultants; report on the Canadian textile industry be released. The department's position is still as follows: the study contains information provided in confidence to the department on the understanding that it will not be

disclosed. Such disclosure would prejudice the department's ability to obtain similar information in the future.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, the hon. member's position is the same, as follows: he would like the papers.

Mr. Jerome: Transfer for debate.

Mr. Speaker: Transferred for debate.

COPY OF REPORT BY GHERZI TEXTILE ORGANIZATION REGARDING CANADIAN TEXTILE INDUSTRY FOR DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE, 1966-67

Motion No. 34—**Mr. Skoberg:**

That an Order of the House do issue for a copy of the consultant report by Gherzi Textile Organization on the Canadian textile industry undertaken for the Department of Industry, Trade and Commerce in the fiscal year 1966-67, as mentioned in answer to Question Number 1,323 of the 1st Session of this Parliament.

Mr. Knowles (Winnipeg North Centre): I move the motion on the hon. member's behalf, Mr. Speaker.

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, the answer is the same. Would you like me to read it again?

Mr. Knowles (Winnipeg North Centre): The response is the same, too.

Mr. Jerome: Transfer for debate.

Mr. Speaker: Transferred for debate.

COPY OF CONTRACTS DEALING WITH PUBLICITY FOR DEPARTMENT OF NATIONAL HEALTH AND WELFARE

Motion No. 46—**Mr. Nystrom:**

That an Order of the House do issue for copies of all contracts dealing with publicity and/or information entered into by the Department of National Health and Welfare in the fiscal years 1970-71 and 1971-72.

[*Translation*]

Mr. André Ouellet (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, we cannot accede to the request of the hon. member because a contract is a confidential document between the individual and his employer.

I should therefore ask the hon. member to kindly withdraw his motion.

[*English*]

Mr. Nystrom: Mr. Speaker, I will not withdraw it because the government accepted a similar request before in respect of a different department. Therefore I ask that it be transferred for debate.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a question of privilege. A few minutes ago the Parliamentary Secretary to the President of the Privy Council (Mr. Jerome) said that the government agreed to notice of motion for the production of papers No. 48 which reads:

Motions for Papers

That an Order of the House do issue for copies of all contracts dealing with publicity and/or information entered into by the Department of Industry, Trade and Commerce in the fiscal years 1970-71 and 1971-72.

Notice of motion No. 46 now before the House is in exactly the same words but refers to a different department. I think it is quite improper for the government to agree to one and not the other.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member brought his argument forth by way of a question of privilege. He will appreciate that this is an argument he may want to put forth when the matter is debated in the House, perhaps in July or August. The motion is transferred for debate.

Mr. Knowles (Winnipeg North Centre): I shall be here.

An hon. Member: What else is new?

COPY OF CORRESPONDENCE BETWEEN PROVINCIAL AND FEDERAL GOVERNMENTS RELATING TO MAIL SERVICE

Motion No. 68—**Mr. Dinsdale:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of the correspondence between the provincial governments and the federal government with respect to the deteriorating mail service, particularly the courier service set up recently by the Province of Alberta to provide more efficient mail service between Calgary and Edmonton or any similar mail courier service established by any other province?

Mr. Baldwin: I move the motion on the hon. member's behalf, Mr. Speaker.

Mr. Gerald Richard Cobbe (Parliamentary Secretary to Postmaster General): Mr. Speaker, there has been no correspondence between the Alberta government and the federal government on this subject. Therefore I would ask the hon. member to withdraw his motion.

Mr. Baldwin: He will also be here in July or August to debate it, Mr. Speaker.

Mr. Speaker: Transferred for debate.

ORAL QUESTION PERIOD

ENVIRONMENTAL AFFAIRS

COME-BY-CHANCE OIL REFINERY—REASON FOR ORDER STOPPING CONSTRUCTION

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question is directed to the Minister of the Environment and Fisheries. Will he tell the House why he found it necessary to invoke Section 33 of the Fisheries Act in respect of the oil refinery at Come-By-Chance?

Hon. Jack Davis (Minister of Fisheries): Because, Mr. Speaker, the construction of the refinery in question is

well advanced and the company had not clearly indicated it was prepared to make all the installations which will be necessary to meet the fisheries standards once that plant is in operation.

Mr. Carter: Mr. Speaker, I rise on a question of privilege. I think the minister has deliberately misled the House in his statement.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Carter: I make that charge on the basis of information which has come to me that meetings were held among officials of the minister's department, the refining company, the contractor, the Newfoundland provincial government, the Minister of Finance and various other people involved in the project. These meetings took place on June 7 and June 8, and on June 22 and June 23 the same people met and agreed on all aspects of the requirements of the minister and his department and indicated they were willing to abide by those requirements and would proceed to take the necessary action to correct these problems. I think the minister has deliberately misled the House on this matter.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I will, of course, allow the minister to reply, but the hon. member is a member with some experience and knows he cannot charge another member, including a minister, with deliberately misleading the House. Perhaps we might allow the minister to reply and then I will return to the hon. member.

Mr. Davis: Mr. Speaker, I am surprised that the hon. member should spring to the defence of the Newfoundland Refining Company when he well knows—

Mr. Horner: Tell us how big a grant your government gave?

Mr. Davis: —that this company has been very slow in making commitments in the direction of pollution abatement.

An hon. Member: This didn't happen when Joey was around.

Mr. Davis: The company has not made available to the government the plans necessary to meet the tough standards we have set, and with which, incidentally, the hon. member undoubtedly agrees.

• (1430)

Mr. Speaker: Order, please. The point made by the minister and the point made by the hon. member are debate between the minister and the member. This might lead to a full-fledged debate of some kind. I am sure the hon. member for St. John's West appreciates it is a long established practice of the House, as old as the parliamentary institution, that an hon. member cannot suggest that another hon. member has wilfully misled hon. members. I would invite the hon. member to co-operate with the Chair. I suggest it is possible to have debate, to have questions and answers, to have controversy, in other words, to have the system which exists, without accusing other hon. members of having wilfully misled the House or having wilfully misled other members. I would hope the hon. member would find it possible to express his thought in some other way.

Mr. Carter: On the same question of privilege, Mr. Speaker, may I say I am not prepared to withdraw that comment on the basis that the minister and his department were quite aware of the fact that the Newfoundland government, the principal owners of the refinery, the company, the contractors and all the other people concerned were willing to abide by the decision of the minister with regard to requirements and at the meeting of June 22 and June 23 that intention was expressed and the minister's officials were present.

Mr. Speaker: Again that is debate by the hon. member. The hon. member may feel very strongly about this matter and feel he is right, but I believe he has an obligation to the House, to this institution, to respect the traditions and customs of the House, I really do not see how we can help the House of Commons and the traditions of this House by adopting a rigid attitude. It is easy for hon. members to adopt rigid attitudes, whether they are on the government side or on the opposition side. It is much more difficult to bend with the rules. I really think there is an obligation on the part of hon. members, even when they feel strongly about a matter, to take into account the traditions of the institution and forget about the feelings and emotions which are perhaps linked with a situation. I would earnestly invite the hon. member for St. John's West to give some thought to the situation and not place the House in the difficult position in which he is placing us all now.

Mr. Carter: Mr. Speaker, I recognize my responsibility as a member, but I think the Minister of the Environment also has a responsibility not to mislead the Canadian people and the House. I still contend that the minister did mislead the House in his answer.

Mr. Speaker: I think the contention has been made very often in the past that the House has been mislead. I have had the feeling over the years during which I have heard debates that hon. members unwittingly, and without wanting to, will mislead other hon. members in the statements and speeches they make. This applies to any hon. member. I am sure that if I had the opportunity to participate in debate as my colleagues have I might be placed in the same situation where unwittingly I would not convey the information I might be expected to convey in the course of statements. But there is a difference. I think the hon. member has the right to accuse the minister of misleading the House, but there is a distinction I might draw that a member cannot say that another member has wilfully misled the House. I think this distinction is an accommodation the hon. member might wish to avail himself of.

Mr. Davis: Mr. Speaker, on the question of privilege, one hon. member rose in the House today to say I should have

made a statement and did not. Another hon. member has been saying that I misled the House. Since I have not previously commented on the subject, I cannot see how I misled the House.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. May we have order, please. The responsibility of the Chair is not to determine whether a member has effectively misled or has wilfully misled. The point is not that at all. I am not here to judge the circumstances. In fact, I know very little about the circumstances to which the hon. member for St. John's West has alluded and the circumstances to which the minister has referred. I am dealing strictly with the procedural aspect, that it is not possible according to the rules to accuse another member of wilfully misleading. I think it is in accordance with the rules to suggest that another member has misled the House. I hear that accusation made often in the House. I have heard it on a number of occasions. I would hope the hon. member would want to co-operate with the Chair, with other hon. members and with the House by indicating that that is what he had in mind when he made the statement.

Mr. Carter: Mr. Speaker, I think the facts speak for themselves in that I would suggest to the minister that if he wants to make an example and start to flex his muscles Newfoundland is not the place to do it. The minister was well aware of the fact that these conditions were being met by the parties concerned. Despite that, he issued a statement at which time he threatened to invoke Section 33 of the Fisheries Act. Today in his answer he certainly gave the impression that the other parties were not willing to abide by the rules of his department with regard to pollution control. I do not know how else to put it, Mr. Speaker. The minister's actions are deliberate. I do not know any other way to put it.

Mr. Speaker: The hon. member says the minister has faulted certain rules of conduct. I suggest to the hon. member that he is faulting certain rules of the House. He is accusing the minister of being intransigent. That is quite possible. I certainly cannot rule on that. But the hon. member might be just a trifle less intransigent. It seems to me he has made his point. He has had three occasions on which to express his views in relation to the circumstances of the matter. He feels very strongly about it, but I would feel that, for the good conduct of the affairs of the House, the hon. member might like to amend his statement along the lines I have suggested.

Mr. Carter: Mr. Speaker, if the minister is prepared to correct his answer I am prepared to correct my statement.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. McGrath: Admit it was a cheap trick.

Mr. Speaker: Order, please. Obviously we have reached an impasse. I think I have a duty to the House to appeal again to the hon. member. Apparently he feels very strongly about the matter. Obviously he does. But there are rules of the House, and I certainly have no hesitation at all in living up to my responsibilities. Every single member of the House, including the hon. member for St. John's West, would want the Speaker to enforce the rules of the House. From what I know of him I am sure this is what he would expect me to do. I wonder what in the world is gained by the kind of debate and argument that has arisen between the hon. member and the Minister of the Environment and Fisheries. I would again suggest to the hon. member that it would be so easy for him to indicate that he is prepared to review the matter in light of the statements that might be made later when questions are asked during the question period. I would think that the hon. member for St. John's West appreciates that the question period will continue in a short while and he can then ask all the questions he likes.

• (1440)

Some hon. Members: Oh, oh!

Mr. Speaker: There seem to be objections to this. Other hon. members appear to have questions to ask also, but the hon. member can ask questions to get some clarification about this very delicate matter. In the meantime, perhaps he might like to amend his statement, which will give us an opportunity to proceed with the question period and will give an opportunity to the hon. member for St. John's West to ask his questions.

Mr. Carter: If I may be allowed to change the wording slightly, I would say that the minister is guilty of uttering a terminological inexactitude.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I really feel that the hon. member has come a long way.

Mr. Baldwin: How about the minister moving a couple of inches?

Mr. Speaker: I would hope that the good will indicated by the hon. member for St. John's West would show itself in the responses given by the minister to the questions that might be asked by the hon. member for St. John's West. I really feel that the hon. member has gone a long way.

Some hon. Members: Oh, oh!

Mr. Speaker: Hon. members may not think that is so, but I feel that it is a very substantial concession—

Some hon. Members: Hear, hear!

Mr. Speaker: —not to the Chair, not to the minister, but to the practices of the House, to the longstanding traditions of the House. I understand that the hon. member is substituting the words he has just used for the suggestion made earlier that the minister had wilfully misled the House. On that understanding, I will recognize the hon. member for the purpose of asking his question. I would hope that we would not have to go further and that questions can be asked.

Mr. Carter: This is my supplementary question to the minister. Was he aware of the fact that his officials and

officials of the company and of the Newfoundland government had agreed to concur with his requirements with respect to the oil refinery at Come-By-Chance?

Mr. Davis: No, Mr. Speaker. There have been a series of meetings held with the company. We have not yet received plans which would indicate that the company was definitely committed to building, for example, dikes around oil storage tanks. We were not convinced that it had the financial wherewithal to carry out those plans. Until we have those plans and until we have proof of the financial capability of the company to carry out those plans, we must, under the provisions of the Fisheries Act, take the steps which we have taken to date.

Some hon. Members: Hear, hear!

Mr. James A. McGrath (St. John's East): I have a supplementary question, Mr. Speaker. Is the minister aware of the fact that agreement was only reached last Friday and that this would not have allowed time for the plans to arrive in Ottawa yesterday prior to making his irresponsible statement?

Some hon. Members: Oh, oh!

Mr. Davis: Mr. Speaker, until we have the plans and until we are convinced that the company will carry them out, I do not see any reason for us to continue to be lenient in this case.

Mr. McGrath: The minister was caught out in a cheap, political trick, and he knows it. He got carried away by the Stockholm conference.

Mr. Speaker: Order, please.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, perhaps I may rephrase a question which was asked earlier. Can the minister confirm to the House that a meeting did take place last Friday, June 23, at which time the Department of the Environment was present as well as the clean air, water and soil authorities of the provincial government, the refinery company and the consulting firm representing the provincial government, and did the company at that time, on Friday, agree to meet the specifications he laid down earlier at his meeting with the finance minister?

Mr. Davis: There have been a series of meetings of that character including representatives of the provincial authorities, but we have yet to receive the proof we need.

Some hon. Members: Answer the question.

Mr. Lundrigan: Perhaps I am not making myself very clear. I am trying to conform to the rule of brevity in the question period. Can the minister indicate whether that meeting took place on Friday and whether the company agreed to the several points regarding effluent control which were recommended by the Department of the Environment?

Mr. Davis: One of a series of meetings, the latest, occurred on that date. The company did agree to undertake some additional changes in its plans, but until we are sure that all the necessary changes will be made we have no alternative but to take the action we did.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Gander-Twillingate may ask a further supplementary and then the hon. member for Kootenay West will be recognized for a supplementary.

Mr. Lundrigan: Perhaps the minister would like to take the time on motions—I am sure he would get the agreement of the House—to correct the very bad and wrong impression he gave the Canadian people right across the country and the cheap political stunt he pulled yesterday.

Mr. Speaker: Order, please.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I have a supplementary question for the Minister of the Environment. How long has the department been aware that the building plans of the Come-By-Chance refinery were inadequate so far as pollution control requirements are concerned?

Mr. Davis: The plans which we received were always inadequate, Mr. Speaker.

Some hon. Members: Oh, oh!

Mr. Monteith: Answer the question.

Mr. Harding: I am sure the minister missed my question. How long has the department been aware that the building plans of the Come-By-Chance refinery were inadequate so far as pollution control requirements are concerned?

Mr. Davis: They have not been adequate over the last 18 months during which we have had frequent meetings with the company. They have yet to be made adequate.

Some hon. Members: Oh, oh!

Mr. Harding: I have another supplementary question for the minister. Why was federal action on the building plans delayed until this late date?

Some hon. Members: Get to your feet.

An hon. Member: Answer.

Mr. Davis: We were always hopeful, even though the construction of the refinery was proceeding, that the company would see the light and that with the backing and indeed urging of the provincial government would make the necessary plans available to us at an early date.

Some hon. Members: Hear, hear!

Mr. McGrath: Did the officials of the department extract such an agreement from the company and/or the Newfoundland government last Friday?

Mr. Davis: No, Mr. Speaker.

Mr. McGrath: That is where the lie is.

Mr. Nowlan: We ought to build a dike around you.

COMMUNICATIONS

BELL CANADA RATE INCREASES—INQUIRY AS TO COMPLETION OF STUDY BY MINISTER AND ACTION

Mr. David Lewis (York South): Mr. Speaker, by chance may I turn to the Minister of Communications and ask him to respond to a question I have asked him on two or three occasions. Has he completed his study of the facts which appear to have justified the Canadian Transport Commission in giving Bell Canada large increases in consumer rates? Has he completed that study and is he able to inform the House as to any action he is contemplating taking?

Hon. Robert Stanbury (Minister of Communications): I hope to be in a position to do that tomorrow, Mr. Speaker. Meanwhile I might tell the hon. member, because I know he is interested, that I have arranged to place the transcript of the Canadian Transport Commission hearings on loan with the library of the University of Windsor so that Dr. Lloyd Brown-John may have full access to it.

Mr. Lewis: I appreciate that action of the Minister of Communications. I am not saying that with tongue in cheek; I really do.

• (1450)

BELL CANADA RATE INCREASES—SUGGESTED RECONSIDERATION BY TRANSPORT COMMISSION IN LIGHT OF LAY-OFFS BY NORTHERN ELECTRIC AND BELL CANADA UNDERTAKING

Mr. Lewis: Mr. Speaker, may I ask the Minister of Communications if he is aware of the fact that Northern Electric has been laying off between 2,000 and 3,000 people, giving as a reason that Bell Canada has cancelled orders to the tune of about $100 million, contrary to Bell Canada's undertaking with the Canadian Transport Commission that this money would be spent on necessary equipment and expansion, and that their refusal to carry out the commitment has resulted in these large lay-offs of Canadian workers in Montreal?

Mr. Stanbury: Mr. Speaker, I am not sure whether the hon. member is asking me if I am aware of those facts. I could not vouch for them. I have seen some disappointment expressed by Bell Canada that the increases given by the Canadian Transport Commission are not sufficient to carry out the full capital program they might have hoped to carry out.

Mr. Lewis: Will the minister investigate the facts to which I have alluded and, if they are so, will he undertake to do what in my respectful opinion it is the duty of the government and Parliament to do, that is, immediately request the Canadian Transport Commission to reconsider?

Mr. Speaker: Order, please. The hon. member is now making a representation. Perhaps the minister might reply to the question itself.

Mr. Lewis: On a point of order, Mr. Speaker, with great respect to you, I am not making a representation. I am asking the minister whether he will undertake, when he looks into these questions, to ask the Canadian Transport Commission to rescind, revoke or alter—I think "vary" is the word used in the act—to vary its decision as it has the authority to do under the act giving it the power to set rates?

Mr. Speaker: Of course, that is a question whereas the hon. member's previous statement was a representation. The minister could reply to the question.

Mr. Stanbury: Mr. Speaker, certainly I would share what appears to be the hon. member's dim view of any failure to carry out commitments made to the commission, and I will be glad to inquire whether that appears to be the case.

BELL CANADA RATE INCREASES—REQUEST BY UNIONS ACTING ON BEHALF OF LAID-OFF NORTHERN ELECTRIC WORKERS FOR MEETING WITH MINISTER

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a supplementary question for the Minister of Communications. Has he yet replied to a request he received from three unions acting on behalf of workers directly affected by lay-offs at Northern Electric to meet with him? I understand this request came to him about ten days ago in the form of a letter. Has the minister replied and, if so, what was his reply?

Hon. Robert Stanbury (Minister of Communications): Mr. Speaker, I think the request came to me somewhat indirectly in that the unions had the impression that the Minister of Transport had somethingg to do with communications. However, I do not have much to do with lay-offs. I have been making inquiries about what might be the best procedure for one or more ministers to meet with these people. I do not think that by myself I could be very helpful to them in regard to lay-offs.

Mr. Speaker: Order, please. We do have to try to move along. The hon. member for Oshawa-Whitby may ask a last supplementary and then I shall go to the hon. member for Champlain, because we are running short of time.

Mr. Broadbent: It was my understanding that a subsequent letter was written to the minister asking for a meeting and I understand there have been some discussions between himself and the Minister of Labour. Would the minister give a commitment to the House that he or some other minister directly involved will undertake to meet with representatives of these workers?

Mr. Stanbury: Mr. Speaker, there has been consultation with a view to having such a meeting. Although I did not realize it until just now, the Minister of Manpower and Immigration, who is always one step ahead of the rest of us in these matters, has already met with a representative of the unions.

[*Later:*]

Mr. Stanbury: On a point of order, Mr. Speaker, may I try to correct an impression I may have given to the hon. member for Oshawa-Whitby as a result of attempting to pass on information which was given to me sotto voce by the Minister of Manpower and Immigration. He has, I understand, met with the president of Northern Electric

at the request of union members but not with representatives of the unions. In accordance with the request made to me we shall try to arrange for further consultations.

* * *

[*Translation*]

YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—USE OF FUNDS NOT SPENT BY CERTAIN APPROVED PROJECTS

Mr. René Matte (Champlain): Mr. Speaker, I should like to put a question to the Secretary of State.

What does the department he heads intend to do with the funds made available through the Opportunities for Youth program for projects that were accepted but for some reason or other cannot be carried out?

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, the same thing that we did last year, that is, the way some projects disappear, the same way others suddenly develop new needs for additional funds.

* * *

[*English*]

REGIONAL ECONOMIC EXPANSION

INQUIRY AS TO GRANT FOR CONSTRUCTION OF COME-BY-CHANCE OIL REFINERY

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Minister of Regional Economic Expansion. In light of the statement made by the Minister of the Environment that it appeared there was insufficient money to complete the refinery at Come-By-Chance according to specifications laid down by his department, would the minister advise whether the Department of Regional Economic Expansion made any grants under its incentive program and in what amount? Would he also inform the House whether the department verified the financial status of the company before advancing any funds?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, there is no grant from my department. As you know, oil refineries are excluded from the incentives program.

Mr. Lambert (Edmonton West): Were there any special grants under any other program with regard to docking facilities or ancillary facilities?

Mr. Marchand (Langelier): I do not know about docks in Canada, Mr. Speaker. Somebody else should answer the question.

[Mr. Stanbury.]

AGRICULTURE

TERMINATION OF FOWL SLAUGHTER PROGRAM—REQUEST FOR PAYMENT OF SUBSIDY ON FLOCKS BOOKED BY PLANTS FOR KILLING

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, on June 8 the government announced a fowl slaughter program and on June 27 it announced that the program was being terminated. Since approved poultry processors were unable to handle all flocks committed to them during this period, will the government pay the approved subsidy on all flocks booked by killing plants which were not slaughtered because of lack of facilities?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, there were sufficient facilities at the plants to reduce the total flock numbers in Canada by the objective that I stated on June 8 of about one million birds. As a matter of fact, up to last night the number would probably be closer to 1.4 million or 1.5 million birds. We see no necessity to reduce the flocks any further.

Mr. R. E. McKinley (Huron): I have a supplementary question, Mr. Speaker. In view of the fact that the minister's original announcement was very misleading and led producers to believe that they would have six weeks within which to become eligible for this assistance, would he now make an announcement that the program will continue for up to six weeks?

Mr. Olson: Mr. Speaker, the announcement never implied or expressed any such thing.

Some hon. Members: Oh, oh!

Mr. Baldwin: That's fowl play!

* * *

GOVERNMENT ADMINISTRATION

ALLEGED INFILTRATION OF PRIME MINISTER'S OFFICE, SECURITY PLANNING AND OTHER GROUPS BY CERTAIN SPECIAL AGENTS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to put a question to the Prime Minister which arises from a serious allegation in an article appearing in the Toronto *Star* today. The author, Tom Haslett, alleges that certain special agents have infiltrated the Prime Minister's office, the security planning group and other groups. These agents are alleged to represent the Cuba Directorate of General Intelligence. Has the Prime Minister seen that article and is he prepared to make a statement in reference to these serious allegations?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have not seen the article but I have heard of it. It is my understanding that the article does not say there has been infiltration as the hon. member just indicated, but that there has been attempted infiltration. I believe the hon. member is incorrect in asking the question in that way.

Mr. Woolliams: Well, Mr. Speaker, I am prepared to accept the word "attempt".

Some hon. Members: Oh, oh!

Mr. Woolliams: I am not having an argument with the Prime Minister. I am asking him, in light of that serious allegation in regard to his own office and other offices, whether there has been an investigation. If so, what was the result and did the attempt go as far as an overt act?

Mr. Trudeau: As I say, Mr. Speaker, I do not believe that the article has been made public yet but is appearing this afternoon. I have not taken cognizance of it, but of course I will investigate all serious allegations made anywhere. So far as infiltration is concerned, Mr. Speaker, the most serious infiltration of my office thus far has been by westerners, and that is very welcome.

Some hon. Members: Hear, hear!

• (1500)

Mr. Woolliams: When the Prime Minister talks about westerners, it depends from how far west they come. I wonder if he would take this matter seriously, and I am sure he does, and look into the question of the book by Orlando Castro Hidilgo entitled "Spy For Fidel" which makes certain allegations that apparently are the basis of the story that I referred to when I put my question to the Prime Minister?

* * *

GRAIN

ACTION ON COMPLAINTS REGARDING LACK OF GRAIN DOORS

Mr. Bill Knight (Assiniboia): Mr. Speaker, may I direct my question to the minister in charge of the Wheat Board. As delivery points on CNR lines are facing real problems because of a lack of grain doors, would the minister inform the House what action will be taken by the government to force the CNR to take action?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, when this matter was last brought to my attention it was brought to the attention of various authorities. I understood corrective action had been taken. If the hon. member has further specific examples, I will be glad to pursue them in the same way.

Mr. Knight: Having raised this matter with the minister the last time, inasmuch as these same delivery points are still short of grain doors and as this involves CNR lines serving nine delivery points in southern Saskatchewan in particular, may I ask him to inform the House what action will be taken in the very near future?

An hon. Member: Get different doors.

[*Later:*]

ALLEGED SPOTTING OF UNCLEAN BOXCARS BY CANADIAN NATIONAL RAILWAYS

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, may I ask the minister whether his attention has been called to the fact that Canadian National Railways is presenting a great many boxcars that are unfit for loading to local grain elevators. They have not been cleaned out. Unlike the CPR, the CNR does not have proper arrangements for processing these cars before they are presented. Is the minister aware of this?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, specific allegations of that sort have not been brought to my attention in the last few days or weeks. There was a series of such incidents at an earlier period of time and again some corrective action seemed to have been taken. I am always glad to pursue individual complaints and try to see that the railways do the best possible job.

* * *

HARBOURS

PICTOU—PLANS FOR DEVELOPMENT

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Transport. It has to do with port development at Pictou, Nova Scotia. In view of the continuing concern of the industries involved and submissions made by the government of Nova Scotia, I wonder if the minister will be making an announcement in the near future concerning possible aid for port development at Pictou? I should like to thank the minister for his courtesy in keeping me informed of the submissions made by the Nova Scotia Minister of Development in this regard.

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, on a day like this compliments of this type, I assure you, are very welcome. The answer is that I have had a reply from the appropriate minister in Nova Scotia and we are going to work jointly with regard to devising appropriate plans for the dockage in the area.

* * *

ADMINISTRATION OF JUSTICE

DECISION OF BRITISH COLUMBIA COURT OF APPEAL JEOPARDIZING MAINTENANCE PAYMENTS ARISING FROM DIVORCE SUITS—GOVERNMENT ACTION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Justice and is with respect to the decision handed down yesterday by the court of appeal of British Columbia which has the effect of putting in doubt the validity of thousands of awards for maintenance of petitioners and children arising out of divorce suits. Has the minister considered the decision and does he propose to adopt any measures, legislative or otherwise, to eliminate the state of uncertainty in which thousands of Canadians now find themselves?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I have not yet seen the decision but I will be glad to look at it and discuss it with the hon. member.

Inquiries of the Ministry

CRIMINAL CODE

POSSIBLE AMENDMENT TO LENGTHEN REST PERIODS FOR CATTLE IN TRANSIT

Mr. P. V. Noble (Grey-Simcoe): Mr. Speaker, may I direct my question to the Minister of Justice. In the interest of reducing the heavy losses of cattle in transit from the west to eastern feed lots, is it the intention of the minister to give favourable consideration to the request of the Canadian Cattlemen's Association for an extension of the 36-hour limit in the Criminal Code to 42 hours for rest periods during the movement of cattle by the railways? This would shorten the trip between Winnipeg and Toronto by approximately 18 to 20 hours.

Mr. Speaker: Order, please. The hon. member has asked his question and the minister may reply.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, following the representations from the association I asked for some special studies to be undertaken to see whether it would be within the tolerances of humane treatment if there were such an extension. I propose to institute some special studies in this regard forthwith in order to see if any accommodation can be arrived at.

* * *

[*Translation*]

NATIONAL PARKS

ESTABLISHMENT OF PARKS IN QUEBEC—INQUIRY RESPECTING DISCUSSION BETWEEN MINISTER AND PREMIER BOURASSA

Mr. Romuald Rodrigue (Beauce): Mr. Speaker, I should like to put a question to the Minister of Indian Affairs and Northern Development.

Following the latest talks between the Premier of Quebec and himself, could the minister say to the House whether the discussions bore on the establishment of future national parks in the province of Quebec, and whether setting up a national park in the Chaudière area is part of the projects of his department?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we have discussed this subject in general, but I cannot say which particular project is being discussed now.

* * *

[*English*]

TRANSPORT

PELEE ISLAND FERRY SERVICE—ALLEGED INTERFERENCE WITH DELIVERY OF GOODS

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, may I direct a question to the Minister of Transport. As the Department of Transport is directly responsible for the ferry service between the mainland and Pelee Island in Lake Erie, will the minister investigate the rather serious charge that union pickets are preventing the normal flow of goods and food across the government dock, although no longshoremen or union dispute appear to be involved?

[Mr. Lang.]

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I was advised a few hours ago of this difficulty. I am naturally concerned because it is delaying construction of the Pelee Island airport. According to my tentative information, the labour dispute does not involve the federal government. I am proposing to visit the area and talk to the parties concerned in order to see what our involvement is.

* * *

NATIONAL PARKS

INQUIRY AS TO ONTARIO REACTION TO PROPOSED INTERPROVINCIAL PARK

Mr. Leonard Hopkins (Renfrew North-Nipissing East): Mr. Speaker, my question is addressed to the Minister of Indian Affairs and Northern Development and concerns the proposed interprovincial national park at Nipissing, Ontario, and Temiscaming, Quebec. Has the minister to date been given any indication by the Ontario government whether that government is willing to proceed with such a joint project which would be the first interprovincial national park in Canada?

Mr. Speaker: Order, please. The minister will be allowed to reply, but again I caution hon. members that they should try to resist the temptation to ask questions about area national parks.

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, it is because we have been so successful with this program. I have not yet received any information from the Ontario government.

* * *

GRAIN

CONFIDENTIALITY OF INFORMATION IN APPLICATIONS FOR PERMIT BOOKS

Mr. J. H. Horner (Crowfoot): Mr. Speaker, may I direct a question to the Minister of Justice in his dual capacity as minister in charge of the Canadian Wheat Board. Would the minister say whether, when a farmer files an application for a Canadian Wheat Board permit book, the information given as to the amount of acreage he has and as to the size of the cash advance taken under that permit book is confidential, or is this information as to how many acres he has under cultivation and how much he owes with regard to cash advances available to the general public? Is this information to be available to the general public or is it not? It is either one or the other.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I would have to ask the Canadian Wheat Board about their practice in this regard.

Mr. Horner: A supplementary question, Mr. Speaker. I addressed my question to the Minister of Justice in his dual capacity as minister in charge of the Wheat Board.

Mr. Speaker: Order, please.

Mr. Horner: I think it is the duty of the Minister of Justice to know whether or not—

Mr. Speaker: Order, please.

Mr. Horner: —this information is confidential or otherwise.

Mr. Speaker: Order, please. I appreciate the point which has been made by the hon. member. He directed his question to the minister in his capacity as Minister of Justice; at the same time the hon. member for Crowfoot must appreciate, as I do, that he cannot ask for a legal interpretation from the minister in his capacity as Minister of Justice.

Mr. Baldwin: The opinion would probably be bad.

Mr. Horner: Mr. Speaker, I rarely disagree with your rulings, and I do not disagree now. But I believe that there ought to be, within the confines of the Canadian Wheat Board, an understanding that when a person files an application in connection with a permit book the information he gives regarding his personal and private operations on the land shall remain confidential. That precedent should have been established long ago, particularly since the Canadian Wheat Board has been in operation for some 37 years.

Mr. Speaker: Order, please. The hon. member is presenting argument in support of his point. He may be right, but I would think that from a procedural standpoint the question would hardly be acceptable.

• (1510)

CASH ADVANCES—POSSIBLE CHANGE TO PERMIT ADVANCES TO FARMERS WITH RENTED LAND

Mr. John Burton (Regina East): Mr. Speaker, I wish to direct a question to the minister in charge of the Wheat Board concerning permit books and cash advances as they relate to permit books. Would the minister indicate if the board is giving consideration to making changes in the cash advances system in order to enable those farmers who own part of their land and rent part of their land to take a cash advance on the portion they own, even though the landlord may refuse the necessary consent with respect to his interest in the land rented?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, this matter was discussed very thoroughly in the committee when this legislation was last before it. There are some real difficulties concerning the application of provincial law and the ownership of grain which have so far made it impossible for us to arrive at a satisfactory solution in this regard. I know of no further work being done in this regard at present. We did work very exhaustively on it at the time.

Mr. Speaker: Order. I have to bring to the attention of the hon. members that there are perhaps 20 hon. members seeking the floor to ask questions. Normally the question period would have expired by now, but I thought the House should not be charged with the minutes that I took on my earlier entreaties. Ten minutes is being added to the end of the question period because most of that earlier ten minutes was occupied by my soliloquy. However, I would invite hon. members to try to limit supplementaries.

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CANADIAN SOVEREIGNTY

ALLEGED REFUSAL BY INTERNATIONAL TELEPHONE AND TELEGRAPH CORPORATION TO PERMIT VISIT TO RESOLUTION ISLAND BY NORTHWEST TERRITORIES COUNCILLOR

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I wish to direct a question to the Minister of National Defence on the very serious matter I raised on Friday last concerning the action of International Telephone and Telegraph in preventing a counsellor from the Northwest Territories from visiting his constituency. Can the minister advise if he has had a report on the incident? Can he advise what he has learned and, more significantly, what he has said or done to reassert Canadian sovereignty and autonomy over our northland?

Hon. E. J. Benson (Minister of National Defence): Mr. Speaker, I looked into this matter. As I understand it, the incident occurred some 18 months ago. The company running the particular radio installation is not International Telephone and Telegraph; it is the Marconi Company of Canada. They own the particular airstrip involved. It was constructed by them. They are quite willing to have people come and visit there, but there are certain arrangements which have to be made for people to get on a chartered aircraft. From my information I understand that the person involved demanded to be put on a privately chartered aircraft to go to this airstrip. He was refused, unless he went through the Marconi representative and was cleared by him.

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ENVIRONMENTAL AFFAIRS

CAPE BRETON HIGHLANDS NATIONAL PARK—ALLEGED LACK OF SEWAGE FACILITIES CAUSING POLLUTION OF RIVER AND DESTRUCTION OF SALMON FISHERY

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I wish to direct a question to the Minister of the Environment. As a result of his great interest in pollution as indicated today, would he concern himself, particularly within the cabinet and particularly with regard to the minister responsible for Canada's national parks, with the situation in Cape Breton Highland's National Park where all effluents and waste are being deposited in Little river, destroying the river and the salmon fishery? Would he cause an investigation to be carried out and ascertain whether the government and the department concerned could not set up proper sewage facilities so that the fishery will not be destroyed any longer?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, I will make inquiries to see whether the hon. member's submission is true in fact.

Mr. Muir: On a point of order, Mr. Speaker—

Inquiries of the Ministry

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

Mr. Muir: Yes, on a rather interesting point of order, Mr. Speaker. The minister has suggested that I am not telling the truth. He is going to investigate—

Mr. Drury: He is going to find out if you are.

Mr. Muir: —and ascertain if this is a true statement. I think he is questioning my integrity; furthermore, he is deliberately misleading the House.

Mr. Speaker: Order, please. I notice that the hon. member is saying this with a smile. I appreciate that the minister perhaps—

Mr. Muir: You always have to smile at this government, Mr. Speaker.

Mr. Speaker: I am sure the minister did not want to reply in this way, saying he will investigate whether the hon. member's statement is true. I do not think that is the proper way, that these words were correctly chosen. In any event, we understand what the minister wanted to say and what the member wanted to ask, and perhaps we might leave it at that.

Mr. Muir: Mr. Speaker, on a point of order, I have the greatest respect for you and always will have but I do not think you should make excuses for a man who suggests that the truth is not being told in the House.

Mr. Speaker: That was not my understanding. I must say that I have to interpret the statements made by hon. members, and I really did not interpret this one in that way. I did not think the words were that well chosen, but I do not think the minister wanted to impute that the hon. member was not telling the truth to the House.

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[*Translation*]

PUBLIC WORKS

ALLEGED BAD CONDITION OF FEDERAL WORKS ON ST. LAWRENCE RIVER—SUGGESTED REVIEW OF POLICY

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to put a question to the Minister of Public Works.

Will he soon be in a position to announce a complete review of his department policy on the pitiful condition of the federal works as well as on the landslides due to tides and especially the speed of boats on the St. Lawrence between Quebec and Montreal?

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, I do not accept the premise of the member's question. The Department of Public Works is not responsible for the erosion from natural causes but only that due to navigation or other federal works and in the latter case my department is actively repairing the damages as soon as they are pointed out.

[*English*]

HEALTH

POSSIBLE PROVISION OF FREE DRUGS TO PENSIONERS

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to address a question to the Minister of National Health and Welfare. In view of the accelerating costs, especially severe to old age pensioners, veterans and others on low income who are suffering ill health and require drug care, and in view of the minister's objective of moving into the provision of free drugs for those people, will he state whether he intends to introduce legislation before the House recesses?

Hon. John C. Munro (Minister of National Health and Welfare): Obviously, Mr. Speaker, there would be no chance to bring in whatever legislation the hon. member is referring to before the recess. I would like to point out also, Mr. Speaker, although the hon. member may be aware of it, that under the Canada Assistance Plan we pay for drugs supplied by the provinces to those in need on a 50-50 basis. My understanding is that many provinces are now supplying drugs to those who are recipients of the guaranteed income supplement and giving them drug cards, and the federal government is paying half that bill.

Mr. Rynard: A supplementary—

Mr. Speaker: Order. I bring to the attention of hon. members that there are just two minutes left before the end of the question period. Obviously, we will have difficulty recognizing the 10 or 15 members who are still looking for an opportunity to ask their questions.

Mr. Rynard: Mr. Speaker, I want to thank the minister for his answer and remind him that this is a statement he made—

Mr. Speaker: Order, please. There are just two minutes left, and I suggest we should not take up these two minutes to remind ourselves of things.

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YOUTH

STUDENT SUMMER EMPLOYMENT PROGRAM—REQUEST FOR WEEKLY RATHER THAN HOURLY PAY SCALE

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I wish to direct a question to the President of the Treasury Board. A few days ago I drew attention to the problem of students in the career oriented summer work program whose pay scale has been changed from a weekly to an hourly basis this year, with a consequent loss, I am now told, of up to $195 for their summer's work. The minister told me that he would be glad to look into this matter. Has he done so, and what does he plan to do about it?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I made some preliminary inquiries, or had some made, but I do not see an easy solution under which, as the hon. member suggests, the students would get rather

more money than the terms of employment offered would provide.

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SECRETARY OF STATE

ALLEGED FAILURE TO FILE ANNUAL REPORT OF DEPARTMENT

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I wish to direct a question to the Secretary of State. There are many questions one could put, but I shall be brief and to the point in view of the fact that this minister may have only one more day to report to the House. Would he tell the House when he is going to file the annual report of his department, which is now three years late? If he does not understand the question, Mr. Speaker, may I say that the only annual report of this minister's department was filed in the House as a sessional paper on June 26, 1970, and then distributed. A year later the next report for 1968-69 was three years old. When is he going to file the last three reports?

Mr. Speaker: Order, please. The hon. member for Peace River.

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INDIAN AFFAIRS

REQUEST FOR REPORT ON SPENDING OF BAND FUNDS OF HAY RIVER INDIANS

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I wish to direct a question to the Minister of Indian Affairs and Northern Development. Would the hon. gentleman inquire into and make a report on the allegations surrounding the state of the band funds of the Hay River Treaty Indians, where $2.5 million was reduced in four years to $500,000? Would the hon. gentleman inquire into this and report to the House on how this happened?

• (1520)

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I read the article that the hon. member has in hand and before he put his question, yesterday, the assistant deputy minister had already left to investigate on site.

[*English*]

GOVERNMENT ORDERS

FARM CREDIT ACT

AMENDMENTS RESPECTING LOANS AND POWERS AND CAPITAL OF CORPORATION

The House resumed, from Tuesday, June 27, consideration of Bill C-5, to amend the Farm Credit Act, as reported (without amendment) from the Standing Committee on Agriculture and Motion No. 1.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, at the outset I wish to say that as far as we are concerned the motion we are considering in the name of the hon. member for Vegreville (Mr. Mazankowski) is very much in order and it is appropriate it should have been moved.

Indeed, when the bill was in committee I, personally, moved a very similar amendment. We adopted this approach because the bill gives the corporation power to carry out certain duties which have not been assigned to it by an act of parliament. It will exercise these powers by virtue of orders in council. We consider this would be allowing the government, and the corporation, too much latitude. Arguments were advanced in committee in favour of the bill as it presently stands. We were told the corporation would have extensive powers anyway, that there would be $130 million at its disposal under votes 1 and 15, and that the corporation would have power to act without the benefit of these provisions in the bill in any case. I was a little disturbed that it should be so easy for the minister and the corporation to lay their hands on so much money and pursue policies which would appreciably affect the fate of many people involved in agriculture in the absence of what, to my mind, is proper control through legislation. So, regardless of the explanations given by those responsible at that time, I am still not ready to embody in an act this very loose enabling power which will give the government an opportunity to act without, to my mind, the necessary degree of responsibility to Parliament.

We were also told in the course of discussion that certain changes would, in any case, be necessary in connection with the farm adjustment program, now called the farm development program, and that it would be just as well if the board could carry on for a little while; after it had experimented, in effect, guidelines could then be laid down in legislation. But suppose that in the course of this experimentation one or two proposals do not work out very well and hardship or inequity arises. What recourse would individuals or communities have under the law? Could they go to the ordinary courts and say: "Certain things have been done which have cost me money, and I wish to recover the losses I have sustained"? They could hardly argue that certain things had been done which should not have been done under the terms of this or that Act of Parliament. As a legislator, I myself, for example, could not very well appear before the Standing Committee on Agriculture and say to the minister or to the representatives of the corporation that in a particular case they had taken action which did not conform with this or that section of the act. For these reasons, I do not believe the approach recommended to the House is a good one.

Anyone who observes the scene in agriculture today knows there are problems with which we must deal. At the same time, we must ensure that we act in such a way as not to aggravate those problems. One of the things which disturbs me is the lack of a clear indication of policy. The committee held several sittings, and a number of witnesses appeared. Finally, the minister came in and said: "Yes, we do have an updating of the statement made on March 8, 1972". I believe that was the date. But in any

case, whatever the date was, it was a long time before the information was available to us.

I must say I am bothered by the lack of balance in the policy as far as it has been explained to us. For example, there is provision for some subsidization of older people who choose to move out of farming; an annuity is to be paid to them, and so on. But I would have to learn a great deal more about the details of this proposal before I could either accept it or reject it. On the other hand, no assistance is provided for the younger person, or newcomers to agriculture who wish to establish themselves. In some European countries, interest rates are subsidized in such circumstances. The legislation before us ignores this aspect. It is considered quite all right to increase the total amount of a loan to $100,000, and that may be useful for those who want to borrow that sort of money. But for someone entering farming for the first time, the subsidization of the interest rate up to about half of the $100,000 is altogether justifiable. However, it is not even considered.

• (1530)

Mr. McKinley: They would not even accept the amendment.

Mr. Gleave: No, we could not even get the amendment on the record, as the hon. member rightly says. It is not as though there were no subsidization policy in this country because there is. Under DREE, large subsidies are offered to private industry. I anticipate similar subsidies will be offered to industry to conform with antipollution laws. Students are subsidized through loans so they may attend college and university. The building of such institutions is also subsidized. Therefore, why should not persons entering agriculture be subsidized over the initial years, which are the tough years, while they are establishing themselves? If they turn out to be good farm operators and their income structure does not prove to be disastrous, they will turn their businesses into going concerns. The minister, who has lived in a farming community, knows that very well.

As I say, this need is ignored. We just assume that people will buy land, equipment and livestock, will become able and competent farmers and produce the food we need domestically and for export. I noticed that the other day the minister journeyed to Charlottetown in Prince Edward Island, and the main burden of the speech he made was that Canadians should produce food for export, that this assists the Canadian economy. I wonder whether the minister talked to the potato farmers of Prince Edward Island and received from them the assurance that they were in a sound financial position and would continue to produce potatoes? Did the minister also get the same feeling of confidence from farmers in the grain growing areas of Canada? I would ask also whether we have the same feeling of confidence about the general agreement on tariffs and trade, about our relations with the United States and our access to that important market. However, I do not want to digress.

Getting back to the bill, I am wondering whether those who drafted the bill clearly understand how it will be implemented and how well the two programs will dovetail together. On the one hand, we have a lending agency that has assisted farmers for a fair number of years on the basis of their productivity and the management of their operation. We are now adding this social function. When you implement a policy that aims at the creation of farms of a certain size, you are performing a social function, not a commercial function. I suggest that, despite the usual pitfalls, a commercial lending operation is a fairly straightforward proposition. It is true you make bad guesses sometimes with regard to management or productivity, and you must take the good with the bad. However, if some able person is conducting the operation, over the long haul the operation will prove successful. As far as western Canada is concerned, despite the fact that western farmers experienced two or three low income years, I think it is fair to say they, too, will be successful. I suggest the Farm Credit Corporation has confidence that in the years ahead, as our cash flow increases and agriculture picks up again, our farmers will continue their operations satisfactorily. The minister and the Farm Credit Corporation realize that in the west there are good producing farms and there is good management.

However, the government has introduced a land development policy that is not only socially but politically motivated, and they will find that they are riding two horses which may very well be going at different speeds. As a result, the government are going to run into a fair bit of difficulty. I pointed out in committee that the bill provides that the appraised value of farmland shall be based as far as possible on its productivity. Yet the government is apt to use a different measure altogether, that of transferring farmer A to some other place and bringing in farmer B in his stead to operate his block of farmland. That is a different concept entirely.

The minister has run into some difficulty with the provinces, but I do not want to dwell unduly on that matter. I tried, as did other members of the committee, to get all the information I could on this matter as the bill was going through. Certainly, I do not want to criticize the minister for not getting agreement with the provinces. I assume he tried to, but I was not at the negotiations and do not know what happened. All I know is what I was told during the committee hearings. However, I suspect one reason there was a fair amount of difficulty in achieving agreement with the provinces was that what was proposed by the government in this area of land adjustment was ill-defined. The provinces, especially those which are largely dependent on agriculture, cannot afford to gamble on their future in that area. The income is very important to them and if farming operations are not in good shape, certainly in some cases the industrial base is not sufficient to make up for the mistakes made in the agricultural area. I would be much happier if we, as a committee and myself as a member, had more information on this matter. I know some of our people want additional amounts by way of loans. I know the needs of the farmers in my area fairly well, and the minister knows them across Canada.

• (1540)

I see you are getting uneasy, Mr. Speaker, so I assume my time has expired.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should first like to thank the hon. member for Peace River (Mr. Baldwin) and the hon. member for Prince Edward-

Hastings (Mr. Hees) for moving and seconding the motion yesterday on my behalf. I was unable to be here yesterday, as I was attending the opening ceremonies of the 28th annual meeting of the Indian Association of Alberta taking place at the Saddle Lake Reserve in my constituency. I thank the hon. member for Huron (Mr. McKinley) for explaining briefly the purpose of the motion I placed before the House for consideration. The purpose of the amendment is simply to restore parliamentary control over the possibility of any agricultural program being assigned to the Farm Credit Corporation for administration.

We have in Bill C-5 an amendment to Section 11 of the Farm Credit Act which broadens the powers and alters the functions of the Farm Credit Corporation, giving it the power to administer any kind of program that may be assigned to it by any other act of Parliament or by government order in council. It has been repeated many times in the committee by the minister and the Chairman of the Farm Credit Corporation that it is not necessary for this portion of the bill to be enacted to administer farm development programs. This arouses some suspicion. We wonder why we must have a clause in this bill which is all encompassing, broad and powerful.

There is no obligation under the provisions of this amendment to have an agricultural program approved or debated by Parliament. There is no obligation on the part of the government or the governor in council to discuss these programs or consult with the farmers of Canada or their organizations. There is not even an obligation for the government to produce a white paper or a position paper such as was produced under the provisions of the Small Farms Adjustment Program introduced on March 8. We wonder why we need such a broad and encompassing clause. We can only assume that the government may have some other mechanism which, in its wisdom, may alter the social and economic structure of agriculture.

During the consideration of this bill, and particularly of the adjustment program, we had a great deal of difficulty extracting information. An announcement was made of the government's intention in March, 1971, but we did not have a revised edition of the program presented to us until June 15 of this year, notwithstanding the fact that the bill was introduced on February 24, 1972. Throughout the course of the debate we tried to ascertain the direction in which the minister and the Department of Agriculture were proceeding. We have been and still are suspicious of the fact that this program will tend to reduce significantly the number of farmers in Canada, and we have evidence to back up that suspicion. Discussions and negotiations have been taking place with the provinces since the time the proposal was placed before the public. As I understand it, as of this date there has still been no agreement reached. Perhaps the minister will respond to that suggestion sometime later today.

We have been discussing this particular proposal in a vacuum. It was not until the provincial representatives appeared before the committee and took very strong exception to this bill, as did representatives of the National Farmers Union and the Canadian Federation of Agriculture, although not as vigorously as other witnesses, that we had enough information to outline the main structure of the program. These representatives of the provinces of Manitoba and Saskatchewan who appeared before the committee have serious reservations about the scope of the power granted in clause 1. The representative of the province of Manitoba stated explicitly in his brief, as recorded at page 6:

> I have no recourse but to recommend to your Committee that the amendment to Bill C-5, extending the authority of the Farm Credit Corporation to administer such a program, be deleted from the Bill. Until such time as more satisfactory arrangements can be developed between the Federal Government and the provinces, I feel that the authority of the Farm Credit Corporation should not be extended to permit it to administer the proposed Small Farm Development Program.

The National Farmers Union, in an excellent brief, said basically the same thing. Let me quote from *Committee Proceedings No. 22* of June 20 at page 22:4:

> —the government, in our view, is being devious by circumventing public discussion and debate on the entire question of the Small Farm Adjustment Program while implementing an important part of the program in Bill C-5.
>
> Certainly, so far as the NFU is concerned, there has been no communication from the Minister of Agriculture relative to further plans under the Small Farm Adjustment Program since his initial statement of March 8, 1971.

It seems rather strange that a program which will very significantly affect, in some cases detrimentally, the farmers of Canada that little negotiation or discussion took place with a farm organization that speaks for the farmers of Canada.

Let me point out that the amendment to Section 11, as provided for in clause 1, does not only give power to the Farm Credit Corporation to administer the Small Farms Adjustment Program, but also any other duty or function assigned to it by the government by order in council. In other words, it can administer any agricultural program. In my opinion, and in the opinion of my colleagues, this power is much too broad for this or any other minister. The farmers of Canada have had some bitter experiences with some of the legislative measures introduced by this government, that is legislation drafted and introduced without any prior consultation with the farmers of Canada or their organizations. These pieces of legislation required many major amendments before they were acceptable, or indeed useful, to the farmers of Canada. They had to be changed by Parliament.

• (1550)

One could say that with the power which is to be delegated to the Farm Credit Corporation in this particular clause (1), Bill C-176 in its original form could have been administered by the Farm Credit Corporation had the government in its wisdom seen fit to assign to it a program of that nature rather than deal with it through legislation. We all know that after two years of parliamentary and public debate, the bill did pass but was altered significantly. It was altered to suit the wishes and needs of the producers who were affected. I suppose the same thing could be said about the stabilization bill which was certainly not in accord with the wishes of the vast majority of the farmers, according to the mail I have received and the public reaction generally.

With the power contained in clause (1), the government in its wisdom could have seen fit I suppose to assign the

program under the stabilization bill to the Farm Credit Corporation for administration without parliamentary debate and without discussion with the producer organizations. So, I believe it behooves each and every one of us to think very seriously before we delegate this kind of authority to any kind of agency. In short, this clause would give the necessary power to reshape the social and economic structure of agriculture without reference to Parliament, without reference to the farmers of Canada, without reference to the provinces and without reference to the producer organizations. I recall that in the presentation of the Canadian Federation of Agriculture to the Prime Minister (Mr. Trudeau) and members of the cabinet, the necessity was reiterated of producers being involved more closely and more meaningfully in the organization and development of programs as well as their evaluation.

Quite frankly, we believe this small farm adjustment program is tainted with the recommendations of the task force on agriculture which suggested that the number of farmers be reduced significantly in order to cure the ills of agriculture. We believe the major emphasis of a program such as the small farm adjustment program should be aimed at assisting those who are in the industry to improve their income and their standards, so that they may be able to remain in the field of agriculture and thus remain within the rural areas of Canada. This particular program does just the opposite. It is a program which encourages farmers to move out of agriculture. We recall that when the original proposal was presented by the Minister of Agriculture (Mr. Olson) it was entitled an adjustment or redevelopment policy for agriculture, a proposal for farm adjustment and resource mobility. In the contents of the white paper, it was pointed out that one of the aims was to grease the wheels of adjustment.

I suppose because of the lack of acceptance of a title of that nature, the minister in his wisdom saw fit to rename the program the small farm development program. However, there is very little in that proposal to indicate it is a development program for small farms but rather is a development program for large farms. Perhaps it might be more appropriately called the small farm extinction program. We cannot accept a proposal which gives the government such carte blanche authority to proceed with any—and I want to emphasize the word "any"—detrimental or otherwise, agricultural programs which could affect the welfare of those engaged in the agriculture industry. I, therefore, propose that any such program which would affect the social and economic fabric of the agriculture industry should not be proceeded with by government order in council but rather by a bill which would be processed through the machinery of Parliament. Certainly, an ad hoc measure of this nature is neither desirable nor suitable.

I am sure all of us recall the ad hoc measure that was introduced to reduce wheat acreage entitled the Lift program. This was a stop-gap measure with an originally suggested expenditure of between $100 million and $140 million. Because this program was an hoc measure, it was introduced without any prior consultation or discussion with the farmers of Canada or indeed the farm organizations. Less than 50 per cent of the farmers of Western Canada were able to participate in the program and less than 50 per cent of the funds allotted were expended. As a matter of fact, it discriminated against those farmers who had reduced their wheat acreage in the years prior to the introduction of this measure. Certainly, it was a very ill advised program. It was a bitter experience to many farmers of western Canada. Legislation which deals with the welfare, development or extinction of farmers in Canada should be clearly defined, clearly understood and introduced in Parliament as a piece of legislation rather than as a government order in council. Therefore, I urge all hon. members to accept this amendment which has been proposed.

Mr. Bill Knight (Assiniboia): Mr. Speaker, in the committee on agriculture, we spent a considerable amount of time dealing with the different aspects and clauses of this particular bill. This amendment to section 11 of the Farm Credit Act, I suppose, in many ways has created the greatest controversy. I think the motion moved by the hon. member for Vegreville (Mr. Mazankowski) is a commendable one and one which should be accepted by the House. Through a long process, we have seen different pieces of government legislation dealt with in terms of how they affected the farmer. We have seen debate centred around Bill C-197. After considerable debate, it ended up as Bill C-176. In that process there were no less than 6, 7 or 10 fundamental changes in the various provisions of the bill. We once sat all night at Christmas time—and I shall refrain from emphasizing this in case it should put you in a bad mood, Mr. Speaker—dealing with that legislation, and some rather fundamental changes were made in the government's proposal.

• (1600)

Now, in the second or third last day of the session we have the Minister of Agriculture bringing a bill before the House which, according to the amendment to section 11 of the Farm Credit Act, will allow the Farm Credit Corporation to administer any program the minister sees fit to allocate to it. My hon. friend moved a motion to delete this particular aspect of the proposed amendment to the Farm Credit Act. If we allow this amendment to pass as proposed by the minister, without accepting the deletion made by the hon. member for Vegreville, then we are giving a free hand to the Minister of Agriculture, regardless of who he is, to allocate whatever program he sees fit to the Farm Credit Corporation without giving the representatives of the people of Canada an opportunity to make a decision on that action. That, in the light of the activities of this government, can be a real threat to people in the rural areas.

In dealing with this amendment, I need only refer hon. members to the action taken by the government on the task force report on agriculture which stated that two out of every three farmers should be removed by 1990. There has been a drop in the number of farmers, and this has been a trend in agriculture for a long time. We all know that. The government is attempting to accelerate the removal of farmers from the land, in this case particularly those on small farms. This amendment allows the small farms consolidation plan to go into operation without any legislative authorization.

If the minister were still a member of the party which sits to my left, I wonder how he would have reacted to a Liberal government bringing in a bill that allowed plans and programs costing in the neighbourhood of $150 million over seven years to be put into effect without any authorization from the people's representatives. I wonder what he would have thought, and how it would have affected his constituency, if some minister of agriculture earlier in the history of this nation had carried out such a program.

What do we know of the small farm development consolidation plan? We know that it was introduced on March 8, 1971 as a resources mobility and adjustment program, not a development program. We have had a great deal of experience in listening to government ministers introducing programs with fancy names and no real intention behind them. Since that time we have not had a brief outline of exactly what the intent of that program is, other than what the minister called a corps program in committee. Only one provincial government has stated that it is in agreement with the plan as introduced by the Minister of Agriculture. Farm organizations, such as the National Farmers Union, have stated categorically, as the hon. member for Vegreville pointed out, that the method by which this program is being introduced is nothing short of devious, and that is the mildest word that can be used to describe the manner in which the minister has introduced the program. Under the program two farms would be made into one or three farms would be made into two. That is not a development of small farms, it is a development of bigger farms.

We find that the agricultural policies advocated by this government are continually overshadowed by the economics branch of the Department of Agriculture. I am sure that the hon. member for Essex (Mr. Whelan) does not appreciate the extent to which the economists control the Department of Agriculture and its policies. We are well aware of his opinions as expressed in the committee. First of all, on the basis of the task force report, the department made certain assumptions regarding the consolidation of farm holdings in terms of what they called efficiency. May I point out to the minister that farmers are more efficient and productive than Canadian industry. I do not understand how in the Lord's name he could ever introduce a consolidation program on grounds of efficiency. That is the purpose of the program. Part of the same concept of rationalization was the basis for the introduction of the incomes stabilization bill. If there had been a decision to administer that program through this amendment, members of this House would not have been allowed to have a public debate on that bill, the withdrawal of which would never have taken place and western producers would never have benefited from the savings.

I feel that this is a fundamental point, and I wish to repeat it regardless of the fact that the amendment deletes the provision relating to the small farm consolidation plan. Let us deal with the limited knowledge we have, with certain aspects of that particular program. First of all, the minister says that the program will be put into effect regardless of provincial agreement. This is very high sounding, and a beating upon one's chest before the federal election. It may sound good in some parts of the country. Let me point out to the minister that, as has been said in the committee, in terms of administration this program suggests the hiring of counselling personnel. That kind of counselling and advice is provided in almost every province with large rural areas, such as for example the Ag-Rep program in Saskatchewan.

I can tell the minister that if he thinks that the introduction of the small farms consolidation plan through this amendment will be a feather in his cap in the next federal election when the farmers know that he has added one more civil servant to the payroll to visit them, let me tell him that this plan will not go very far and neither will the minister. Not only are we setting up a program that cannot be examined by members of the House of Commons, but we are setting up an administrative bureaucracy which could affect each province in Canada where counselling and administrative services are already available, such as for example the Ag-Rep program in my province. Yet, the minister says that he is going ahead with it.

There has been some discussion about incentives being provided for farmers to leave their farms and to take up some other occupation. In view of the fact that there are 512,000 unemployed people in Canada, I am not sure what kind of employment they could expect. It has been mentioned that consideration must be given to those people going on welfare. I hope that the minister is well aware of the fact that in view of the lack of job opportunities in this country there seems very little opportunity for a man who has spent his life farming to suddenly train himself to be a technician in a chemical plant or to train himself for some other job which is usually non-existent anyway. Under this program there is no provision for the second, third or fourth son of a farmer who may have moved to the city and who wants to return to the land. This is where the social judgment comes in. Instead, there is a provision that the young farmer whose land, within the definition presented by this government, is uneconomic should be removed from the land. When I inquired about the possibilities in the Prairies for expansion I was told that he could find another quarter or half section of land but that might be 20 or 40 miles away and the cost was likely to put it out of his reach.

• (1610)

A program such as this would be impossible to administer because of the variation in the types of farming in the country. A small livestock or grain producer in my constituency of Assiniboia does not operate at all, in terms of land and costs, in the same way as a potato grower on Prince Edward Island or an apple grower in Nova Scotia. The average size of a farm in Saskatchewan, for instance, is much larger than the average size in Ontario, but in the small farm development consolidation plan there is no provision for such differences. Yet, Mr. Speaker, the minister says he is going ahead with it.

Mr. Speaker, I have given a number of reasons why I think the motion moved by the hon. member for Vegreville is a good one and I support it. I believe that he has a second amendment dealing with interest rates for young farmers. I am very interested in that and I hope it can be put to the House.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I rise to support the amendment proposed by the hon. member for Vegreville (Mr. Mazankowski). Under Bill C-5 the Farm Credit Corporation may carry out virtually any program that the government of the day sees fit and this gives enormous power over an industry which already suffers from too much government interference. Apparently it is the stated intention of the government to use this clause of Bill C-5 to administer the small farm development program but, Mr. Speaker, I do not believe that this program has been accepted or understood by the provinces. Indeed, from the minister's remarks I am not sure that he understands it, either. Any action in this area should be debated in Parliament so that members will have some idea of what is in store for the people. I think it is doubly important that legislation dealing with small farms should be thoroughly perused.

A study of what has happened in agriculture during the last four years shows how the government has intruded into the day-to-day business of farming. The Canadian Dairy Commission was in existence prior to 1968, but in that year it became much more active and since then it has substantially changed the pattern of the dairy industry in Canada. However, it has done this on a political basis rather than according to the demands of the market. As a result of high labour costs, many dairy farmers have switched to other products and the only way to get quotas for farm separated cream or milk is through the government or the Dairy Commission. The same situation now applies to eggs under Bill C-176 because quotas will be given to the provinces. Without a quota, a farmer cannot become involved in this industry. As far as chickens are concerned, the only way that a quota can be obtained in the broiler industry is from a commission. In Manitoba, a farmer can only raise 300 turkeys without a quota. If he raises more than that, he must obtain a quota from the provincial turkey board. Also in Manitoba a farmer without a quota for hogs is just out of luck. That leaves only cattle and sheep, the sheep industry is too small to get involved in quotas but the cattle industry is heading that way. In the western grain industry a lapsed quota has meant severe hardship for the small farmer who is prevented from taking advantage of some of the efficiencies available to his larger neighbour. Some of the Wheat Board's ideas with regard to grain deliveries are commendable, since the main thing is to get the grain to our customers. Some of their other ideas, however, have driven the small farmer to early retirement because of his economic situation.

As it stands, this clause of Bill C-5 would give the government power to do almost anything in order to carry out its program, and I believe this authority is far too wide, Mr. Speaker. We have heard only vague outlines of the small farm development program, Mr. Speaker. There is the assumption that the federal government will buy or in some manner rent or lease small farms, giving the owner an opportunity to take up another occupation or to retire with dignity. But, Mr. Speaker, no arrangement has been made to deal with the situation in the provinces. It should be realized that land use is under the jurisdiction of the provinces and will have to remain there under our concept of government. This is just another indication of the federal government's centralistic approach to a problem which comes largely under provincial jurisdiction.

[Mr. Knight.]

• (1620)

In their brief submission to the Standing Committee on Agriculture, the representatives of the National Farmers' Union said:

> We believe members of this committee are fully cognizant of the effects of proposed amendments to raise upper limits on FCC loans to $100,000. Your endorsement of proposed amendments to Bill C-5 will signal your support of policies which advocate the continuing depopulation of rural areas and the sacrifice of the family farm to technology and economic determinism.

They then said that the bill does little for young farmers who need credit and that it fails to meet the needs of young farmers who wish to become established in farming. The government has not yet announced how small farmers under this legislation will have access to credit. Even if the amendment of the hon. member for Vegreville were to be incorporated in the bill, and even if the provisions of the bill applied to small farmers, we still would not know, and the government has not told us, how the small farms program is to be organized, how it is to be operated, and what its main thrust is to be.

This is an important measure and should not be dealt with in such general and vague terms. Until such time as the government comes forward with more definitive plans and proposals and defines more clearly what it means by the small farms program, I think this amendment ought to stand. We must be given a chance to debate any proposals the government has in mind for small farms.

Mr. Jack Murta (Lisgar): Mr. Speaker, I welcome the chance to speak in the closing portion of this debate. At the same time may I say that I support the amendment which would delete what we consider to be the contentious part of Bill C-5, the amendment brought forward by the hon. member for Vegreville (Mr. Mazankowski).

First, may I say that I agree in principle with that part of the Farm Credit Corporation bill which deals with increased amounts that are to be lent to farmers. The maximum amount to be lent is to be increased from $40,000 to $100,000. That sum is probably enough for one-owner farms. I should like to see a provision incorporated in the legislation which would raise the limit for farms owned by a corporation, which could be a family or a partnership. The maximum should be increased beyond the present limit for such farms. I think there is a legitimate reason for so doing, Mr. Speaker.

In the past year we have seen, and you will see to an accelerating extent in the future, and increasing emphasis on farm corporations on the Prairies and elsewhere in Canada. Farms have been incorporated, I suggest, because of our tax laws and because of the estate and gift taxes that many of us have had to live with in Canada. The government, in many cases, has forced the small businesses, and I certainly include many farms in that definition, to incorporate to escape succession duties that would need to be paid on the death of the person who established that particular farm or business enterprise. I should like to see the provision I have alluded to included in this bill or at least something along that line could have been included in the bill. In any event, I welcome the

increase in the ceiling, which is to be $100,000. At least under the Farm Credit Corporation legislation, farmers will be able to borrow that much and I think this bill will permit the Farm Credit Corporation to operate more effectively as a lending agency in the 1970's.

We must look realistically at farming, Mr. Speaker. When I say that, I do not want to leave the impression that I am in favour of larger farms and against small farms. As I say, in looking at agricultural problems, we must be realistic. Often we hear people say that the government must come up with positive measures for dealing with the small farm problem. Important though such measures may be, if we look at the picture positively and realistically and consider what shape farming will take in future, we will concede that, of necessity, farms should become larger. Any young farmer with managerial skills and ability to work hard will, as soon as he can, try to buy more land, because he will want a more viable economic unit. He will want to reduce his costs, and that is the most natural thing in the world. It is fine to talk about small farms and the preservation of the small farm in Canada. Until we can solve this problem, we shall, I think to a great extent, be just talking.

I think we should emphasize assisting farmers who want to remain on the land rather than making it easier for them to get off the land. I am talking of farmers with ability. One way to do this, I suggest—and I may be encroaching somewhat on the next motion that my hon. friend will propose—is by so structuring the Farm Credit Corporation that it will grant special loans to young farmers. These should be available in the first few years of farming when a farmer is seeking to become established. Possibly, repayments could be put off, and I am talking about interest and principal, for a few years until that young farmer gets on his feet. The mechanics of the loan could be worked out in such a way that the total amount of the loan would be paid back eventually. That would give the young farmer starting out a break. He would not need to repay borrowed money at once. This is important in view of the cash income situation of Prairie farmers. The government has been saying a great deal about this. It suggests that there is more cash in the hands of western Canadians now than there has been for some time. In view of rising costs and prices, Prairie farmers, despite their extra cash in hand, are considerably worse off than they were years ago. I feel we are justified in introducing some form of special credit facility for those young farmers who want to begin in the business. Such facilities should not be given to all segments of society; however, in view of rising costs, relatively low prices and the cost-price squeeze, such facilities I feel would be justified for young farmers.

Now, I come to the more contentious part of the bill. The amendment deals with a contentious matter. The small farms development program, as the government has called it, was introduced by the back door. Members of Parliament did not deal with that matter directly. All that we gleaned about the bill consisted of those small bits and pieces of information we were able to extract from the minister through answers to questions raised in the House of Commons of information obtained from press reports and of information contained in statements made outside the House. As a result, we became suspicious of the government's intentions with regard to the small farms legislation. Only after extensive questioning in the committee that dealt with Bill C-5, and only after the provinces of Manitoba and Saskatchewan and the farmers unions had made every effort to discover the government's intentions, were we given a glimpse of what was in the package. There were not too many members who were in total agreement with what the government was proposing. One of the biggest problems we will see with the small farms development program will be the overlapping with provincial jurisdiction.

• (1630)

The province of Manitoba, in its submission to the committee, said that regardless of what happens to this legislation it will go ahead with its own legislation on small farms. We have heard the same story from other provinces. The provinces are quite worried about the fact that there is no real flexibility in the program to meet the various needs of the different agricultural regions. There is a fear that a major emphasis in the program is placed on the readjustment of human resources out of agriculture. The provinces are also worried about the establishment of federal administrations in each province to administer the program, giving rise to overlapping with farm management and consulting services operated by the provinces themselves. The provinces are also worried about the fact that they had no say in the makeup of the small farms development program. They feel it was formulated by Ottawa and presented to them with the threat, "Either you take it or leave it We are not going to bend in any way so far as our proposals are concerned."

The fundamental issue that was outlined at the Edmonton meeting in July of 1971, attended by the other provinces, still remains. It concerns the federal government proceeding on a unilateral basis with a major program affecting Canadian agriculture, without permitting the provinces any say with respect to the kind of program that best suits their needs. In this respect we are seeing the hard core centralism or federalism that emanates from the present government It is not willing to negotiate with the provinces. I represent a riding in the province of Manitoba, and I know that province has additional concerns about details of the program which have not been outlined to any great extent in the House or even before the committee. I would like to mention one problem which will arise if the federal Department of Agriculture proceeds unilaterally with its program.

It was indicated earlier that a limit of $20,000 would apply to any property purchased under the land transfer program. The minister has stated that his department is still sticking with that figure, but there is a hint that this level could be raised through negotiations. But assuming that the level stays at $20,000, I know that in the province of Manitoba much of the land covered by this program is land that the province itself does not want returned to agricultural use. This is just one example of the kind of problem the government will encounter if there is not further negotiation with the provinces.

Associated with this problem is the broader question of who will determine land policy within a province. All the provinces want to establish their own priorities in this matter, but it looks as though the federal government

wants to have some say in determining provincial priorities. The provinces which made submissions noted that insufficient emphasis is placed on measures to assist farmers who wish to remain in agriculture. In fact federal officials have been emphasizing programs to assist farmers who wish to leave agriculture. This is one of the biggest concerns expressed by the majority of provinces with respect to the small farms development program. The fact is that the program is not flexible enough. The manner in which the federal government is trying to remove farmers from the land is not acceptable to western Canada or, indeed, to any part of Canada.

In closing, Mr. Speaker, once again I say that the amendments respecting dollar value, in so far as the FCC is concerned, are acceptable. They make the dollar value realistic for the 1970's. However, I think we should be able to deal with the small farms development program on a different basis. Toward the end of the committee hearings I believe the minister said a bill would be introduced after the program had been in operation. What use would a bill be at that time? This is completely unacceptable to most members on this side of the House. I urge all hon. members to support the amendment introduced by the hon. member for Vegreville, and I hope it will be carried when it is voted upon.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, this is one of the most surprising pieces of legislation dealing with agriculture that I have seen since becoming a member of this House. The bill's provisions will modify the operations of the Farm Credit Corporation in several respects. In each case it is said that the changes being made will not necessarily affect the Farm Credit Corporation's operations as presently defined, with the exception of that provision governing an expansion of money, but the changes are being made so that the government can implement its new policy on small farm development.

During the last couple of years, Parliament has received several visitations from farm organizations that have been critical of the government's proposed program. All of the provinces have been unwilling to accept the small farms development program as outlined in a series of papers, I believe seven in total, of which only a couple are in the public domain. The Manitoba government, the Saskatchewan government, the National Farmers Union and other farm organizations have been highly critical of the proposed small farms development program, not knowing what its purposes are. One simple fact which is apparent to everyone is that size in itself is not necessarily advantageous. There is no one in this country who is not aware that size in itself is not necessarily an advantage. It may not even be advantageous to enterprises whose size approaches the upper limits.

• (1640)

I can recall one of my hon. friends asking, a few years ago: "What is wrong with a supermarket simply because it is big?" But we have seen supermarkets expanding to their present size without bringing any particular economic advantage as far as the consumer is concerned, though, no doubt, there is a great deal of return for those who finance these huge operations. So it may be with agriculture. I think of the largest farm units in my constituency.

[Mr. Murta.]

In all cases they are operating on the basis of loans. Four or five of them have borrowed such large amounts that the local co-operative is in debt to the extent of $250,000. It cannot collect because the operators of those very large farms are so far in debt themselves that there is nothing to foreclose. Anyone who has advanced credit without attaching the land has no chance of getting the money returned.

There are advantages, of course, attached to the ability to procure extended credit. I am thinking of operations under the Dairy Commission through which amalgamations did take place; farms and quotas were purchased and this resulted in economic units being developed in my area. But this was not possible because the owners could borrow money or because their holdings had increased in size. It resulted from action taken by the government which produced a fair price for the product. It meant farmers were selling their product at profit and, within limits, the more they produced the more profit they could make. But if a farmer is producing wheat, for instance, and is selling at a loss, all he does if he doubles the size of his holding is to double the size of his loss. It is obviously not to a person's advantage to expand in those circumstances. He would be better off to maintain his holding and operate with the machinery he already possesses.

Representations made to us in connection with this bill suggest that the people themselves, in the area concerned, should have some say as to whether it would be advantageous socially or economically to amalgamate the smaller farms. If one farmer, whose production is uneconomic, buys a second farm which is in a similar position mainly because of the low prices received for the commodities produced, he will have acquired a larger unit, it is true, but it is very doubtful whether any real advantage has been secured.

I was interested in the charge made by representatives of the Farmers' Union that persons who are coaxed into borrowing more money are usually in difficulty already and that the borrowing of additional sums only means that some of this money, in a roundabout way, becomes income upon which the borrowers can live for a period. The government has on two occasions brought agricultural legislation before us to which the people directly concerned were opposed. One was the stabilization bill. Witnesses who appeared before the committee were of the opinion that this bill was detrimental to agriculture in general and to certain farmers specifically. The truth of their contention has now been borne out. Farmers are many millions of dollars better off in western Canada as a result of the stabilization bill not being passed.

Again, we are being warned by these same people that the legislation before us is not in the interests of the average farmer. Government spokesmen have offered very little by way of defence. What we are really doing is changing the terms upon which the Farm Credit Corporation operates. In line with this is the obvious intention of the Liberal party to reduce the number of farms in Canada. The Liberal party has pursued this intention for ten or more years, and it has never wavered in doing so. I am not sure that this is good policy. I know there are many farmers in eastern Canada who have remained in business only because the federal government intervened

to improve the price received for the commodity they produced. The only segment of the agriculture industry which is in reasonable shape today, the only segment I would recommend any young farmer to get into, is the milk production industry. This is the only agricultural enterprise which would warrant the borrowing of large sums of money. I say this because if a dairy farm is judiciously handled it will produce a better than average farm income.

When we talk about a farm development program we should obviously be talking about arrangements for young farmers entering the agriculture industry. This involves changes which the Farm Credit Corporation is not able to make on its own. There will need to be developments along the lines of a co-operative which will form conclusions as to the moral standing and agricultural ability of a young person and, if it is satisfied, lend him money, bearing in mind that he has time in which to repay it. Today money is lent to farmers 55 years of age. They are advanced sums of up to $100,000 though there is no possibility of their living long enough to pay off the debt.

• (1650)

I suggest that if we examine the amount of interest and premium payments made by farmers, it is doubtful that most of them would ever repay the premium amount before they die. Yet, we are making large loans to young farmers who are going into partnership with their fathers, which will mean that the junior member of the partnership will be mortgaged for the rest of his life, and perhaps for the lives of his grandchildren as well. I know of a case where, in my opinion, the mortgage on a farm is about twice the value of the goods and chattels on the farm and the land itself.

I do not think there is any other industry that offers an income so low that it is not possible to make a success of the operation. The average income of farmers across Canada is considerably less than $5,000, yet we are going to lend them money to enlarge their operations, to buy neighbouring farms, and in that way eliminate a very large proportion of our rural way of life. I, personally, know dozens of young people who have gone to cities to find work and have become immersed in an environment with which they are totally unfamiliar. In large part they have been given direction by the Department of Agriculture.

On the other hand, we make no attempt to give the farmers sufficient money to make a success of their operation and allow our young people to stay in rural communities where they can make a useful contribution. It is a fact that governments in Canada have always been plagued with the idea that they must create agricultural surpluses. No other industry offers its products in this way. However, I suggest there will be a day of reckoning if we continue to enlarge farm units but fail to take into account what those units can produce or to arrive at a reasonable price for those products.

Looking back over the past 20 years we find that the federal government has often maintained agriculture through payments out of the agricultural stabilization fund. We have disposed of our agricultural surpluses to countries around the world through the vehicle of a number of government agencies. We have made a national contribution in a number of ways by disposing of surplus production on our hands. And on a number of occasions, we have made efforts to arrive at a reasonable price. But it seems to me that the agricultural industry will never be a healthy one. Certainly doubling the size of farm units will not create a healthy agricultural climate. The only thing that will help agriculture is to give the farmers a reasonable price for the goods they produce.

I suggest that once this legislation has passed, the farmers should look at it very carefully before deciding whether to borrow further money from the Farm Credit Corporation. In my area, a number of people are anxiously considering another piece of farm legislation passed by the provincial government to establish a cow-calf operation. My advice to them is that if they have the buildings and sufficient land and machinery to go into a cow-calf operation today, they would probably be wise to borrow the capital required and increase their production considerably. But if they have to use the loan to amalgamate farm units before they can increase their production, or if they require buildings and other items of capital cost, then they are not going to make a success of the operation.

I suggest that we have already extended so much credit to the farmers that it would be foolish if they took advantage of further credit just because it was available. The farmers should consider very carefully whether borrowing money is the answer to their dilemma today. What is important is not the size of farm units or the farmer's capacity to produce, but the price he receives for what he produces, which is often below cost even in a well operated farm unit.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, might I rise on a point of order to ask whether the Minister of Agriculture (Mr. Olson) will indicate if he is going to accept this amendment? It might facilitate the passage of the legislation if he would say now that he will accept the amendment. The debate might then come to an end and we might have a vote. I am also wondering whether the minister plans to make a speech. I just raise those questions as a point of order.

Mr. Olson: Mr. Speaker, I have listened very carefully to the debate, but as I said yesterday when the bill was reintroduced at the report stage, the amendment before us now is either identical to, or essentially the same as, one that was debated for several days in the standing committee, after which it was put to a vote and defeated.

Mr. Horner: Mr. Speaker, I did not ask the minister for the opinion of the committee, I asked him for his opinion. At times his committee does not agree with him, and at other times he does not agree with the committee. I thought he could give us the position of the cabinet, which is not necessarily determined by the committee.

Mr. McKinley: He does not have much say in the cabinet.

Mr. Horner: The hon. member for Huron (Mr. McKinley) suggests that the minister has very little say in the cabinet, but I would not want to say that. I always hold out hope that any westerner in the cabinet has some power, though

I might add that it appears to be a diminishing power to we westerners who sit close at hand and watch.

An hon. Member: You do not complain about our increased wheat sales.

Mr. Horner: Do not talk about rising wheat sales. It is the record demand for wheat in the world that has caused this increase. I am particularly pleased to see that we are not completely dead, and that our wheat sales for the year we have just finished studying increased 20 per cent over the previous year. This compares with the Australian increase of 32 per cent and the United States increase of 50 per cent. I would like to think our sales had increased even more. It is too bad we are not the leaders instead of running third, particularly when wheat plays such a dominant role in the income structure of so many farmers in western Canada. I wish our sales had increased to a greater extent and at a better price, rather than at a record low price. In fact, the realized net return on wheat to farmers in western Canada was the lowest in the last ten years according to the annual report of the Canadian Wheat Board which we finished studying late last night. If the hon. member who intervened would like to look at those figures, I can give him the page number of the report.

• (1700)

In Clause 1 of this bill we find the following:

> The Corporation has all the powers necessary to carry out such duties or functions as may be assigned to it by the Governor in Council in relation to the administration of any agricultural program or as are assigned to it pursuant to any other Act of the Parliament of Canada.

This is a sort of ambiguous clause which leaves some fear in the minds of many members who are convinced that the governor in council some day may dream up another operation such as Lift, for example, and turn it over to the Crown corporation for administration. The Lift program was another matter that was never debated. Because of the demand throughout the world for wheat and feed grains this program has proven to be a gross error of tremendous magnitude, particularly in respect of farm income.

The minister in charge of the Canadian Wheat Board (Mr. Lang) announced in January that he had made a real breakthrough in that he was going to establish a realistic two-price system. Payments were to be made under a two-price system based on a dollar a bushel, and so on. What happened when Parliament reconvened? Slowly but surely, this idea seeped away. All of a sudden we heard there was not going to be any legislation, the government was just going to pay out the money in a one-shot program. Many farmers suspected the government was trying to buy their votes in the rumoured June election, or whenever it might be. Unfortunately for the Liberal party, the minister ordered the payments to be made but the Prime Minister (Mr. Trudeau) did not call an election. Now, the Liberals are afraid that the farmers may spend the money before the election and not vote for the government, but these things happen.

The amendment spells out specifically that the corporation has all the powers necessary to carry out such duties

or functions in relation to the administration of any agricultural program assigned to it pursuant to act of Parliament. We feel there is some value in debate and in learning through the exchange of ideas. We have not given up on the concept of dialogue. We may have differences of opinion and violently disagree with what is going on in western Canada, in the Maritimes, in Newfoundland or in Quebec. We still agree that this shall be the meeting place of the representatives of the people and that dialogue will produce an exchange of ideas or a cross-pollinization. We feel this cross-pollinization will result in satisfactory answers to the problems confronting the people in various areas.

This particular bill seems to indicate that the Minister of Agriculture is afraid of dialogue and an exchange of ideas. He seems to be saying that we should not bother him too much because he has a television view and can only see in a straight line. We should not bother him with all the flack that comes through the process of debate. He wants to do what he wants, perhaps the creation of another Lift operation or acreage payments based on the two-price system so that votes will fall his way. He wants to build 2,000 boxcars but does not want debate, legislation or anything else which might let the people know who will be paying for those boxcars.

An hon. Member: Are you against it?

Mr. Horner: The hon. member can read the speech I made in the House of Commons on March 8 to find his answer to that question. He will see that I was not against it but suggested it.

In any event, it appears that the minister is afraid of debate. He is taking a negative approach. The minister, the Prime Minister and other Cabinet members go out to western Canada and ask the people what they want and why they are not satisfied. They say they are moving the grain, selling all kinds of it and want to know why they are not happy. They tell them they are building boxcars and they should be happy. We as the representatives of these farmers want to participate. Clause 1 of this bill will give the minister, through order in council, the right to bring in any kind of program he wants without consulting anybody except a few Liberal cronies back home, providing he has not become too high hat to speak even to them.

An hon. Member: There are not too many of them anymore.

Mr. Horner: I agree with the hon. member, there are not many of those old Liberal cronies left. This is how democracy is falling down, and this is how the parliamentary process is being eroded. We must not sit as legislators and allow such an all-inclusive clause to pass. Many members have read this all-inclusive clause and have come to the conclusion that this is how the small farm program gets into the picture. The minister has not really answered that question. He has said this would cover the small farm program, although it was not necessary because votes 1 and 15 of the estimates assure that this program will go ahead.

Much of the debate on Clause 1 has centred around small farm legislation. I was going to say this is propaganda, but it is even a little better than that. The minister put

forward this much talked about document on March 8, 1971, but since that time he has backed away from it. Some have suggested that the March 8 document indicated that the government would be purchasing land, along with other non-farmers. As a result of the minister's vacillation at committee meetings, we are in doubt as to whether the government will purchase land. I have asked the minister whether this is so and I hope he will answer before this debate is concluded.

Can non-farmers, who have no intent to farm, purchase land under this program for speculative or other purposes? Can they borrow money from the Farm Credit Corporation for the purchase of such land? There was a great deal of talk about the fact that the March 8 document indicated the small farm program would be available to senior farmers prepared to sell out when the farm land had a value of no less than $3,000 and no more than $20,000. The minister now says it is not tied to those values but is flexible. Someone asked whether the eligible value could go up to $35,000, and whether a portion of a farm rather than the whole farm could be sold. If a farmer were selling to his son, could he sell half the farm for $30,000 and lease the other half and receive the maximum grant? The minister has not answered these questions. He has suggested that the $20,000 limit will be raised, but he has not said how high. I asked him in committee if it would be raised to $35,000. He said it may, but that depended on the provinces.

• (1710)

As yet no province has agreed to go along with this program, and therefore the minister has categorically said that the government will not wait for the provinces but will proceed alone. Will a small farmer with a net real estate value on his farm of $35,000 qualify for the assistance to the elderly farmer who wants to sell out. That is about the fourth question I have asked to which I should like an answer. When I asked the minister if the small farms program was limited to the elderly farmer, he said that in his mind any farmer could receive the grant but that he preferred to think it would be given to a farmer who was elderly and wished to enjoy a higher quality of life somewhere else. Such a farmer would be given assistance. The minister said there would be a direct grant of $1,500 to such a farmer who would be selling out, plus 10 per cent of the sale value of the farm. If the maximum value were $20,000 this would mean a grant of $3,500. This is the bonus that would be received by a farmer who retires from the land who seeks, in the minister's words, a higher qualify of life in another occupation.

The other question which has not been answered is in respect of a young person or another farmer buying land and receiving special consideration. Would he be able to buy it under conditions which would allow him a lower down payment than if the program were not in effect? I do not think that question has been answered. We are led to believe the House plans to adjourn at the end of this week. If I were in the minister's place, I would be inclined to try to co-operate in answering these questions. This may be the last piece of legislation the minister will have the privilege of bringing into this House of Commons, the good Lord willing. I think if I were in his place I would be very co-operative with the House and try to answer these questions. In this way the minister would have an opportunity to have his name recorded in posterity as one who put forward one more piece of legislation. These are the four or five questions I have in respect of this legislation.

I have before me the Federal Farm Credit and Related Statistics booklet. In this booklet there is a table which sets out the class of FCA borrowings by province. Without going into the matter of the provinces, the number of loans made on farms with a net value of land worth $20,000 represented 4.7 per cent of the number of borrowers. So, up until this date we are dealing with a very small section of borrowers. Does the minister hope to enlarge this section? Is the program geared to encourage the small farmers to borrow more money in order to buy land or, as suggested by the National Farmers Union in the committee, is this program designed to take agricultural land out of production? Is it designed to lend the money to non-farmers who will use it perhaps for the purpose of subdividing the land into what are called acreages on the edge of major cities or for the purpose of light industry. Is this the concept under which a farmer who has been producing, let us say, a fair return or a fair amount of money per acre will find that his acreage is to be used to pasture one saddle horse for the young children in a family rather than being used to produce products to be sold abroad. This is a question in the minds of many people. We on this side of the House go along with the over-all concept of lending more money to farmers. One has only to look at the difficult plight in which many farmers find themselves.

In the same booklet at page 63 there is an interesting table in respect of land tenure by province. Let us take, for example, the province of Alberta. There is much concern today about Americans buying up Canadian land and so on. In the province of Alberta in 1961, 51.5 per cent of the agricultural land was farmed by the owner of the land. In 1966, this figure increased to 62 per cent. I think this is a good direction in which to be going. In the province of Saskatchewan, however, the reverse is true. In 1961, 64.9 per cent of the land was farmed by the owner. In 1966, this figure had reduced to 55.4 per cent, nearly 10 per centage points in a five-year period. In other words, more farmers were leasing or renting land in that province rather than owning it. I might as well give the figures for the province of Manitoba. In 1961, 80 per cent of the land was farmed by the owner. In 1966, the figure had reduced to 65.8 per cent. This is a trend of which I do not believe anyone should be particularly proud. It is interesting to note in that same table that for the remainder of Canada the percentage is much higher, in the 88 per cent and 89 per cent bracket, and remains relatively constant in that five-year period in comparison to the three prairie provinces.

Because of its application to very low net worth farms, this small farms program will not be very beneficial to the areas which perhaps need it the most. If it were necessary to pass judgment on the small farms program, it might be considerably different from the judgment on Bill C-5 because Bill C-5 does two things. It allows the Farm Credit Corporation to lend more money to the individual and to a younger individual. It reduces the age of the borrower from 21 to 18. I think these two things are beneficial. Clause (1), in its all-encompassing provision,

takes in the small farms program and it is regrettable that the minister has not given a more complete and clear explanation of what he really envisages. Is it to reduce the number of farms? Is it really a farm adjustment program or a farm development program? Is it to place more farmers on the land who will be better able to provide for themselves or is it to have less farms on the land? These questions should be answered before this minister and this House ask us to pass this legislation during the dying minutes of this session.

• (1720)

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

Some hon. Members: Agreed.

Mr. Horner: No, the minister should speak.

The Acting Speaker (Mr. Boulanger): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Boulanger): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Boulanger): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Boulanger): Pursuant to section 11 of Standing Order 75, the recorded division on the proposed motion stands deferred.

Mr. Deputy Speaker: The question is on motion No. 2, standing in the name of the hon. member for Vegreville (Mr. Mazankowski).

When this bill was called yesterday, Mr. Speaker had some reservations about this motion. I have had the occasion to look at his remarks in *Hansard* of yesterday and I, too, have reservations. Hon. members may want to assist the Chair in this regard, but it seems to me that there are financial implications in the amendment. If the bill were amended as proposed, and enacted into law, it would put an additional burden on the Treasury. However, what is probably more to the point, and my second concern, is that the proposed motion in the name of the hon. member for Vegreville amends section 17 of the Act which is not a section in the bill and is not before the House at this time. However, I would appreciate hearing the opinions of hon. members if they would like to comment.

Mr. Mazankowski: Mr. Speaker, I would like to comment briefly on this motion. Under the provisions of section 23 of the Farm Credit Act, the Governor in Council has the power to establish interest rates. He can prescribe rates at 2 per cent, 3 per cent, 4 per cent or 5 per cent. So, I believe that it is within the realm of the provisions of the act.

My second point is that the powers of the Farm Credit Corporation are indeed being expanded to enable it to administer a program for which something in the order of

$150 million is to be appropriated over the next seven years. I believe that in the estimates in excess of $20 million has been appropriated under Votes 1 and 15. This particular program provides for the expenditure of these funds over the next seven years, as I pointed out. Funds are allocated under the program for grants to farmers who wish to retire or leave the business of farming. There are special facilities to be provided and there is the buying and selling of lands, all of which will be a burden on the Treasury, and all of which is provided for under the small farms development program. Delegation of powers is extended under clause 1 of Bill C-5.

I simply ask in this amendment that a certain portion of the funds be allocated for the subsidization of interest rates, because if this is truly a small farms development program it is certainly necessary to provide encouragement and incentive to young farmers to engage in the business of farming. There are other sections of Bill C-5 which refer directly to the administration of the small farms development program, and since such broad powers are granted, I believe that a certain portion of the funds allotted should be provided for the subsidization of interest rates to farmers under the age of 30 who are applying for loans for the first time. I believe that this would certainly give young farmers in Canada a fighting chance to engage in the business of farming, and it would certainly assist them in assembling the kind of viable unit that is necessary to conduct a successful operation.

Mr. Deputy Speaker: I should like to indicate, if the minister will excuse me for a moment, that I wanted to hear the hon. member for Vegreville who put forward the motion, but I do suggest that he may have diverged from the question of the procedural acceptibility of the motion. I mention this because I see several other hon. members rising. Until we decide on the question of whether or not the Chair can accept the motion, hon. members should direct their comments to the procedural argument.

Mr. Olson: Mr. Speaker, in speaking directly on the procedural matter, may I point out that this bill does not provide money or in fact make an appropriation for any subsidization of interest rates. Of course, the hon. member defeated his own argument when he admitted that that was the objective of his amendment because, quite obviously, if there is to be a subsidization of interest rates for the purposes described in the amendment it would require a recommendation. Of course, there are rules regarding any motion brought to the House for an appropriation of money or an additional charge on the Treasury, and it is not within the competence of a private member to make such a motion. Of course, he has other methods of bringing that before the House if he chooses.

The other important point is the one to which you alluded, Mr. Speaker, and that is that this amendment does not in fact amend the bill which is before the House today; it attempts to amend the Farm Credit Act. I do not have all the citations before me, but I am sure you are familiar with them, Mr. Speaker. There are dozens of cases where attempts have been made to amend an act sections of which are not contained in the bill before the House. Of course, there is no question that the Farm Credit Act, as contained in Bill C-5, deals with section 17. The other part of the procedural prohibition against a private member

moving a motion that is in fact a direct or indirect charge on the Treasury is valid, and this amendment is out of order on both counts.

• (1730)

Mr. Horner: Mr. Speaker, I was not too impressed with the hon. minister's remarks. Bill C-5 amends the Farm Credit Act, and the corporation does lend money at a prescribed interest rate that is 1½ per cent higher than the rate at which the government borrows. In this amendment, the hon. member for Vegreville (Mr. Mazankowski) specifies that the interest should be less for a certain portion of the loan. This does not necessarily cause an expenditure of money. I notice that the President of the Treasury Board (Mr. Drury) is nodding his head in agreement with that statement, Mr. Speaker. If the government borrowing rate were to dip, this amendment would not cost the government a cent. Indeed, the Minister of Agriculture (Mr. Olson) told us not so long ago that government interest rates were coming down, so in the near future they may even be below this suggested rate. Indeed, if I took the assurance of the minister to heart I would assume that they are nearly below it now.

The fact is that this amendment may not cost the government any money at all, and it is specified that it should only be made to a farmer of less than 30 years of age, so the government may be saving some money. The bill deals with the Farm Credit Corporation which lends money at an interest rate which may well be below this because it is an adjustable interest rate, not a pegged rate. This amendment cannot be ruled out of order, because it may not cost the government any money at all.

Mr. Knight: Mr. Speaker, I wish to concur in the remarks made by the hon. member for Vegreville (Mr. Mazankowski) and the hon. member for Crowfoot (Mr. Horner). This amendment may not cost the government any money at all. I think this procedural difficulty could be solved if the Minister of Agriculture (Mr. Olson) were to accept the amendment.

An hon. Member: Move the amendment, Bud.

An hon. Member: Come on, Scrooge!

Mr. Deputy Speaker: Order, please. The Chair has for consideration and decision whether motion No. 2 standing in the name of the hon. member for Vegreville (Mr. Mazankowski) can be accepted by the Chair as being procedurally correct. In my initial remarks, I indicated that I had two concerns. One was that the proposed amendment, if it were enacted, might cause a charge against the Treasury and there is no recommendation accompanying the motion. The second was that it appears to go behing the bill and purports to amend the Farm Credit Act.

The hon. member for Vegreville, the hon. member for Crowfoot and the hon. member for Assiniboia (Mr. Knight) have argued, with respect to the first point, that there will not necessarily be a charge against the Treasury. I would like to look at that argument if I were to base my ruling upon it but, in any event, I would want to base my ruling on the second point which, I indicated earlier, was a bar to the acceptance of this motion. The motion does not in fact purport to amend the act and, as the Minister of Agriculture (Mr. Olson) has pointed out, the authorities are clear that this is not acceptable from a procedural standpoint. I must, therefore, decline the motion on this basis.

I understand that on Motion No. 1, the yeas and nays have been taken.

Call in the members.

The House divided on Motion No. 1 (Mr. Mazankowski), which was negatived on the following division:

• (1740)

[*Division No. 45*]

YEAS

Messrs:

Alexander
Alkenbrack
Baldwin
Barnett
Beaudoin
Bell
Benjamin
Broadbent
Burton
Cadieu
Carter
Coates
Crouse
Danforth
Dionne
Fairweather
Flemming
Forrestall
Fortin
Gauthier
Gilbert
Gleave
Godin
Grills
Gundlock
Harding
Harkness
Horner
Knight
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Edmonton West)
Latulippe
Lewis
Lundrigan
MacDonald (Egmont)
MacInnis (Mrs.)
MacKay
MacLean
Macquarrie
McCutcheon
McGrath
McKinley
Marshall
Mather
Matte
Mazankowski
Muir
Murta
Noble
Nystrom
Peddle
Peters
Ritchie
Rodrigue
Rose
Rowland
Rynard
Saltsman
Scott
Simpson
Skoreyko
Southam
Stanfield
Stewart (Marquette)
Tétrault
Thomas (Moncton)
Thomson (Battleford-Kindersley)
Winch—69.

NAYS

Messrs:

Badanai
Basford
Béchard
Benson
Blouin
Borrie
Boulanger
Breau
Buchanan
Caccia
Cafik
Chappell
Chrétien
Clermont
Cobbe
Corbin
Corriveau
Côté (Richelieu)
Crossman
Cullen
Cyr
Danson

Division

Messrs:

Davis
Deachman
Deakon
De Bané
Drury
Dubé
Duquet
Éthier
Forest
Forget
Foster
Gendron
Gibson
Gillespie
Goode
Guay
(St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hopkins
Hymmen
Isabelle
Jerome
Kaplan
Laflamme
Lajoie
Lang (Saskatoon-Humboldt)
Langlois
Laniel
La Salle
Leblanc (Laurier)
Lefebvre
Legault
Lessard (LaSalle)
Lessard
(Lac-Saint-Jean)
Lind
Loiselle
Macdonald (Rosedale)
MacGuigan
McBride
McNulty
Mahoney
Marchand
(Kamloops-Cariboo)
Noël
Olson
Orange
Osler
Otto
Ouellet
Pelletier
Pepin
Perrault
Portelance
Prud'homme
Richardson
Roberts
Robinson
Rochon
Roy (Timmins)
Roy (Laval)
Serré
Smerchanski
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stanbury
Stewart (Okanagan-Kootenay)
Sullivan
Thomas
(Maisonneuve-Rosemont)
Trudeau
Trudel
Turner (London East)
Wahn
Walker
Watson
Weatherhead
Whelan
Yanakis—99.

• (1750)

During the taking of the vote:

Mr. Deputy Speaker: So that there will be no confusion, I might ask the hon. member for Roberval (Mr. Gauthier) if he did indicate his vote?

Mr. Gauthier: I did.

Mr. Deputy Speaker: He did.

After the taking of the vote:

Hon. H. A. Olson (Minister of Agriculture) moved:

That Bill C-5, an Act to amend the Farm Credit Act, as reported (without amendment) from the Standing Committee on Agriculture be concurred in.

Motion agreed to.

Mr. Olson: I wonder whether Your Honour would inquire as to a possible disposition in the House to give third reading to this bill.

Some hon. Members: Agreed.

Some hon. Members: Six o'clock.

Mr. Baldwin: It is our hope that the spirit of kindness may move the minister to change his mind and alter somewhat his hard-hearted approach to this legislation.

It being five minutes after six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, June 29, 1972

The House met at 11 a.m.

GOVERNMENT ORDERS

FAMILY INCOME SECURITY PLAN

MEASURE TO PROVIDE BENEFITS IN RESPECT OF CHILDREN

Hon. John C. Munro (Minister of National Health and Welfare) moved that Bill C-170, to provide for the payment of benefits in respect of children, be read the third time and do pass.

He said: Mr. Speaker, during the last several weeks of compressed debate on this legislation the argument I have heard perhaps most frequently is that the family income security plan legislation is detrimental to the middle income group. This is hardly astonishing for, as I indicated in an earlier debate, the argument does have its political appeal, at least initially. I firmly believe, however, that such political appeal is tenuous and of short-term duration. It is difficult to reconcile the constant and differing demands by the opposition. On the one hand, they demand an increasing redistribution of income and, on the other hand, the same members of the opposition simultaneously espouse the cause of lowering the tax burden on our middle income groups. The facetious attempts on the part of the opposition to palm off this political sleight of hand will, I fear, damage greatly its credibility with Canadians in the long run. In other words, how can the opposition call for greater expenditures than the government is now making, yet accuse the government at the same time of placing too heavy a tax burden on the middle income groups.

Mr. Baldwin: That is a matter of interpretation.

Mr. Munro: Therefore I have become increasingly convinced that such an approach is based on a cynical and disdainful regard for the intelligence of the majority of Canadians.

Needless to say, some in the opposition have advocated that the rich and the corporations should be taxed more. Of course they should be. If we are to undertake these additional financial obligations, it will be absolutely mandatory that we do so. It will be mandatory not just for the sake of the revenue which would be provided but also for the simple reason that the affluent of this country must accept their full obligation to our society generally.

Mr. Gilbert: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Say that to the Minister of Finance (Mr. Turner).

Mr. Munro: As it stands, the government is already making a heavy investment in income security. At present, roughly $4 billion is committed to just three programs. Old age security and the guaranteed income supplement for the aged, with the increases voted by Parliament in December, 1970, and again last month, will represent expenditures of about $2.5 billion. The legislation now before the House represents an additional $800 million, and perhaps more. In addition, the federal 50 per cent share of provincial allotments for social assistance and social support and rehabilitation services means another $800 million in expenditures. With these facts in the background I should like to deal with some of the proposals I have heard opposition members raise.

Some in the opposition say that what we are proposing is not enough. For example, when the Family Income Security Plan legislation was last before the House some in the opposition talked about increasing the benefits over and above those recommended in the present bill as well as making those increased benefits universal. Just to make the benefits universal at the present levels, let alone provide increases, would require an additional $700 million over and above the $800 million that is now recommended.

Mr. Lambert (Edmonton West): The minister forgets that these payments could be subject to income tax.

• (1110)

Mr. Munro: I ask, from where is this additional revenue to come? Let us combine this measure with another promise or position advanced in the House during the current session, namely, that there should be universal old age security payments of $150 a month. The first proposal would pay family allowances at the rate of $15 a month for those under 16, $20 a month for those 16 and 17, on a universal basis. The implementation of these two programs would require an additional expenditure of about $1.5 billion in excess of the presently projected costs I have already mentioned. Do those in the opposition who talk about the burden on the middle income group really believe that the middle income group can be misled to believe that these promises will not cost them money?

I have not finished costing some of the proposals of those in the opposition. Some have talked about the desirability of a guaranteed annual income, a concept which I have indicated before the government is continuing to consider. We already use the guaranteed income technique in the income supplement for the aged and we are now about to apply it to family allowances. In addition, we have created a fund in conjunction with interested provincial governments which will be used to finance experiments on a full guaranteed income technique.

However, to move immediately to a full nation-wide guaranteed income would require enormous new finan-

cial resources. Even if paid only at the poverty line levels set out in the 1969 Economic Council brief to the Senate committee on poverty, which numerous councils and agencies have suggested are already outdated, such a full program would cost anywhere from an additional $1.5 billion to $2 billion taking into account all savings from present programs, including savings from the recent guaranteed income supplement increases for the aged and the projected FISP expenditures. I have picked a conservative figure of $1.5 billion to $2 billion based on outdated poverty line levels.

Let us add it all up. Those who advocate a universal old age security payment of $150 a month are advocating an increased expenditure of $700 million to $800 million. Those who advocate universal family allowance payments at maximum FISP benefit levels are advocating an additional $700 million of federal spending. Those who advocate a guaranteed income, even at 1969 Economic Council levels, are advocating an additional expenditure of $1.5 billion to $2.5 billion. The projected expenditure of $1.5 billion to $2.5 billion for a guaranteed income would be over and above what is now being spent. It would be over and above the increased spending resulting from the two guaranteed income supplement increases for the aged voted in the last two years and would be over and above the money allocated to FISP. This brings us to a rather grand price tag at the level of $3 billion to $3.5 billion in extra federal expenditures.

It would only be fair to go into how those in the opposition who suggest this very extensive increase in our expenditures for income security would fund these proposals. On the basis of the promises already advanced by the opposition, I believe that when we analyse the inadequacy of their responses to this question we will see that they are really insulting the intelligence of middle income Canadians.

This government accepts that the burden of financing new programs should be spread fairly and equitably. I think the Family Income Security Plan will reflect this philosophy. Only 28 per cent of the revenue required to finance FISP will come directly from families with children who must give up all or part of their present family allowances. The remaining 72 per cent will come from general revenue. This means corporations, childless couples and single people as well as families with children. In short, everyone will bear a proportion of this task.

What I pointed out in Quebec and re-emphasize now is that even if we were to increase the tax rate on high income earners and on corporations to extreme proportions, the revenue generated would be greatly inadequate to finance the new large-scale programs advocated by various members of the opposition. I was simply pointing out where we must look for the needed revenue if the promises of many of these politicians are to be realized. Do any in this House seriously think the middle income groups in this country can be so easily manipulated that they will believe that promises and policies such as I have heard in the House would not cast a partial burden upon them?

I might refer to a recent speech by the leader of the New Democratic Party when he talked about where we might find some additional revenue. He talked about obliterating any tax concessions to corporations as a fetchingly appealing strategy. Unfortunately, it will soon come home that even that by doing that not enough revenue would be generated to anywhere near finance proposals of this magnitude. I have pointed out that, on the basis of rough estimates, steep increases in corporation tax, in the order of say 20 per cent, would yield only $400 million to $500 million. I have also pointed out that just a $10 universal increase in the old age pensions from $80 to $90, a woefully inadequate figure in itself, would eat up approximately half of that amount.

Some of the opposition talk of taxing the rich to implement this promise. I repeat, of course we should: However, 1969 statistics show that only 11 per cent of the Canadian taxpayers paid on incomes of over $10,000 a year.

Mr. Lewis: We know that.

Mr. Munro: It is a fact. Even if this is but a rough guide, it hardly indicates a sufficient tax base to render adequate revenue to the government, even at prohibitive tax rates. I frankly feel that if we taxed in full every dollar earned over $20,000 we would get but a fraction of the amount necessary for the large-scale programs mentioned.

In light of these facts, I realize that some of those in the opposition will admit that even if we applied prohibitive tax rate increases against the affluent it would not bring in enough revenue for all the increases they are suggesting. But then, of course, at least in respect of FISP they would go on to suggest special recovery rates, especially if we made universal payments to the middle income groups.

• (1120)

In setting these recovery rates the opposition has a choice. They can recover at rates of up to 100 per cent, or, if they are afraid of further alienating the middle-income voter, which they greatly desire not to do, they can recover at much lower levels.

If they do not recover at rates of up to 100 per cent there will be a major leakage of benefits to the affluent in this country and there will also be a heavy additional burden on the general revenue fund, the bulk of which comes, once again, from the middle income group which they claim they want to rescue from the burden of increased taxation. If, for example, they recover at normal tax rates, then that recovery would represent only slightly in excess of $200 million of the additional $700 million needed to pay universal benefits—a loss of close to $500 million which could otherwise be directed to other more pressing social concerns, as well as a substantial burden on the middle income groups, as I have just pointed out. If, on the other hand, they did recover at rates of 100 per cent, then all they would be doing would be placing an additional tax burden on the middle and upper income husband in order to make a payment to his wife.

So once more let us review the opposition proposals in their totality: new additional federal spending programs of up to $3.5 billion, with little prospect of obtaining a significant proportion of this money from increased levies on the rich and the corporations, even at prohibitive rates.

Thus it is obvious that those opposition members to whom I have referred are already advocating increased taxation affecting the middle income groups.

Mrs. MacInnis: What about the other income groups?

Mr. Munro: With regard to the upper income groups and the corporations I have already said that to finance this proposal—and they will pay their share—taxation would have to be levelled at much higher, even at prohibitive rates.

So when opposition members make charges of irresponsibility, let them, to avoid charges of disdain for the intelligence of Canadian taxpayers, tell the middle income group where they intend to raise the money to carry out the promises they are making. Let them be assured of one thing: these middle income Canadians are not so naïve that they will not ask the question. I believe this is a challenge which the opposition must meet.

For the benefit of those who talk about the burden of some of our policies on the middle income group I should point out just in what way certain of our policies have helped the middle income group.

For example, we have not forgotten to provide financial compensation to middle income citizens with families. Our income tax laws continue to provide for children's exemptions. This is because they are mainly directed to horizontal redistribution of the tax burden from taxpayers who have children to taxpayers who do not. Tax exemptions for children are estimated to represent $550 million. The tax exemption system does favour middle and higher income families because, as income is higher, the exemption becomes more valuable.

Some hon. Members: Right on!

Mr. Munro: Nor is this the only government measure which aids the middle income group. I would cite for example, programs such as hospital insurance, medicare, unemployment insurance, the Canada Pension Plan, retirement, disability, widows' and orphans' benefits, and the financing of post-secondary education, all of which were implemented under Liberal governments.

These have spared those benefiting by them enormous personal financial obligations which might otherwise have crushed their financial security and forced them into a dependency on welfare. This is especially true since programs such as hospital insurance, medicare and post-secondary education financing have been most heavily utilized by the middle income groups in comparison with all other income groups in our society.

In this connection I should stress that our country has outperformed the United States, despite their vastly superior financial resources. We have not only kept pace with the American economy and the American standard of living, notwithstanding the extra pressure of a proportionately faster growing labour force, but we have also provided social benefits not yet available in the United States, for example, comprehensive universal hospital insurance and medicare, basic non-contributory old age pensions and family allowances.

Moreover, we should remember that thanks to the prosperity resulting from the improvement of the economy in the last decade, a process toward which present government and Liberal governments preceding it have greatly contributed, real income flowing to the middle income group, over and above the inflation factor, has risen by almost 30 per cent. In short, thanks to positive government economic measures much of our working class has moved into the middle income group. And through continued vigorous government action we intend to see that these workingmen who have moved into the middle income group stay there.

I should also like to talk about a few of the other criticisms which have been levelled at the Family Income Security Plan. First, I would point out that its key principle is to assist the low income worker. Thus it goes a long way toward meeting a number of criticisms of our present welfare system.

This plan is not designed to aid the indolent. Its principal aim, I repeat, is to aid those who work, to build in incentives which will encourage them to continue working by providing supplementation to their low-level earnings.

We hear today much criticism on the grounds that people are sometimes placed in situations which encourage them to ask: Why should I work when I can get as much on welfare? The middle income group feels it has worked hard and saved its money. Naturally it resents those who would abuse the welfare system and prefer to use the hard-earned middle income tax dollar to support themselves without working.

Of course, as I have often stated, the number of people who would prefer to live on welfare rather than work is exaggerated. But the feeling held by many people is understandable, none the less. There are some who would prefer to live on welfare and turn down reasonable job opportunities.

The Family Income Security Plan helps meet this problem by providing incentives for the low income earner. It assists him or her to resist the temptation, if and when it does exist, to go on welfare and withhold his or her contribution to society.

An hon. Member: How does the bill do that?

Mr. Munro: If the criticism about some social assistance rates being as high as or higher than certain wage levels is justified, it is derived from the fact that in some provinces social assistance rates applicable to a family with several children often do come perilously close to what the minimum wage rates or laws provide in that province.

• (1130)

An hon. Member: Anything is possible with this government.

Mr. Munro: I could easily talk about some provincial governments of the same political complexion as the hon. member which do the same thing. This closeness between welfare and the minimum wage is especially true when one considers that often other social services, such as hospitalization and medicare, are provided to the man or woman with a family on social assistance while the wage earner must pay the regular shot. FISP does something about this.

Mr. Alexander: The minister is filibustering his own bill.

Mr. Munro: It builds in incentives for workers to remain in the work force by providing incremental income. The wage structure in Canada does not take into account the dependency factor.

Mr. Speaker: Order, please. I would suggest to hon. members to my left that there is so much noise and interruption that it might be deemed to be somewhat unfair to the minister who is trying to make his speech. I think the minister should be given an opportunity to make his speech without all these interruptions.

Mr. Munro: As I was saying, Mr. Speaker, in terms of incentives the wage structure in Canada does not take into account the dependency factor. An employer pays the same rate to the married man or woman with a family as to the single man or woman for the same job and the same duties. Therein lies the problem.

Social assistance rates leave a large gap between the level paid to a single man or woman and the level of income that the single man or woman can earn by working. So, to a much greater degree, incentives are preserved. It is where the man or woman has a family that social assistance levels sometimes approximate minimum income wage rates. This results from a legitimate desire on the part of the welfare system not to penalize the child or children of the welfare recipient. And this—the position of a family on assistance—is where the disincentives emerge as a real problem.

FISP recognizes the problem. It gives meaningful income supplementation to the low income wage earner. It recognizes that his or her earnings are low and boosts the total family income according to his or her family responsibilities. In other words, it takes into account the number of children, a factor that the wage structure, by its very nature, cannot do.

The importance of this principle of wage supplementation was brought up again in the latest report of the National Council of Welfare which restressed the profile of Canadian poverty. The basic fact is that the majority of Canada's poverty population comes from the working poor group, those in marginal, seasonal, interrupted or part-time employment.

I should now like to refer to one other criticism made by some members of the opposition of the Family Income Security Plan, namely, that somehow the FISP application form and cheque will constitute some form of stigma as well, as some have indicated, as an administrative nightmare.

Some hon. Members: Hear, hear!

Mr. Munro: Let hon. members hear the explanation. Potential FISP beneficiaries will fill out a simple income form, just as impartial and anonymous as and simpler than the income tax forms millions of Canadians now fill out. On the return voyage—the arrival and cashing of the FISP cheque—the stigma is non-existent as well. The amount of the cheque alone is no indicator of income, since a person would have to know the number and ages of the recipient's children before he could begin to calculate the person's income. The cheque will be a government of Canada cheque, as are millions of cheques received by beneficiaries of other government programs, such as unemployment insurance, old age security, Canada Pension Plan, manpower training allowances, and, of course, the regular pay cheques issued by the federal government to its employees. Finally, the only people who need know the amount of the cheque are those who cash it, and I do not think Canadian banks are in the habit of announcing the details of the financial dealings of their customers.

This will not be our first experience with cheques issued under a selective benefit program. We have had five years' experience with the guaranteed income supplement for the aged, which is now received by more than one million senior citizens, and we have not heard loud cries of outrage that this cheque stigmatizes the pensioners.

Why should there be? The income test under the guaranteed income supplement is impersonal; it is a matter strictly between the administering authorities and the person concerned. The test is conducted by mail, and payments are made by cheque which can be promptly cashed or deposited in any one of the many and conveniently distributed branches of Canada's banking system. Why, then, should there be a social stigma under the Family Income Security Plan?

With regard to the question of administrative complexity, may I make just a few comments. I frankly admit that the administration of the plan is, of course, more complex than the rather simplistic approach to universal payments. However, the main principles of FISP are not at all difficult to comprehend. The amount of benefits payable is not difficult to comprehend; the ages determining the amount of benefits are not difficult to comprehend; the concept of basic income levels or thresholds is not difficult to comprehend. Neither is the idea that an income test similar in principle to income taxation is used to determine eligibility, or the application of this simple income test on one application form, as is the case with the guaranteed income supplement. I believe all these points are easy to understand.

In conclusion, may I point out that the Family Income Security Plan is but one facet of an over-all government program to deal constructively with employment generating policies and with poverty. These priorities fall into three categories among the Canadian population. First, there are those Canadians who are permanently out of the work force. They are one priority. When we review government policies designed to assist this group I think it can be established that this group is treated better under this government than the same group would be in any country of the free world comparable to Canada. Let me just analyse the people in this group. There are the aged, and for these we have provided the guaranteed income supplement. For the disabled we cost-share support payments under the Canada Assistance Plan.

The second category is the working poor, for whom we have designed policies, of which FISP is a major ingredient, to assist them; I have already listed these policies. in addition, we have the new unemployment insurance plan. We have also raised the minimum wage levels in the federal sphere as well as introduced needed labour legislation to protect these workers from the ravages of technological change.

Lastly, the third category and priority among Canadian citizens is the unemployed. We have directly intervened, in cases where the private sector has not been able to be of assistance, with programs such as Local Initiative, Opportunities for Youth, cost-sharing with the provinces and work activity projects.

• (1140)

I recommend the Family Income Security Plan to the House as an essential ingredient in the necessary over-all attack in terms of giving added income supplementation to the working poor of this country and as a constructive measure to deal with poverty.

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I have listened with a good deal of interest to the Minister of National Health and Welfare (Mr. Munro). Somebody said he was trying to defend the indefensible, but he reminds me of a goldfish going around and around in a fish bowl and getting nowhere.

An hon. Member: You need a new pair of glasses.

Mr. Rynard: As a matter of fact, he reminded me a little bit of what Shakespeare said in that he protested far too much. It is interesting to note that he spoke about the things the Liberal government has done over the years but forgot to refer to what that great Prime Minister did who occupied the seats of the mighty for longer than any other man in the British Commonwealth, Prime Minister Mackenzie King. I am sure he did not do that intentionally; in fact, I would never accuse him of really doing anything intentionally. Mackenzie King brought in children's allowances in 1946.

Mr. Knowles (Winnipeg North Centre): 1944.

Mr. Rynard: The hon. member for Winnipeg North Centre (Mr. Knowles) corrects me and I accept his correction, but I think the bill became law in 1946.

Mr. Knowles (Winnipeg North Centre): It was passed in 1944 and became law in 1945.

Mr. Rynard: I accept that correction and I note that the hon. member has been reading up on this subject. He was in the House at the time so he has that advantage over the minister and myself.

Why the minister did not refer to this fact when he was boasting so much about what the Liberal party had done over the years is a little hard for me to comprehend. I always try to comprehend what the minister has to say because I get such peculiar answers to the questions I ask him.

The minister referred to OHSIP, the training of doctors, and the health resource fund. I hope I am not going to embarrass him by mentioning these things, but he knows the mess they are in at this time. He is having difficulty all across the country with health resources and the shortage of general practitioners.

Mr. Munro: Dr. Potter says there is no shortage.

Mr. Rynard: The minister does not have to refer to Dr. Potter because he is referring to Ontario. The minister is in trouble in every province because of a shortage of doctors, general practitioners; he knows that and that emergency wards are overtaxed. Over and over again I have asked him about this. Once in a while there is a flash of light and the minister seems to see a vision, but then he loses it.

On June 9 the minister said that the next thing he was going to bring in or think about, which should have been brought in before on the recommendation of the Hall Commission, is pharmacare or drug care. Yesterday he forgot about these things and said that we are doing this under the Canada Assistance Plan. He has told me that for the last two or three years. What I want to know is, did he lose his vision of June 9, 1972, again?

Let us go back to all those great things he said the Liberal party was doing. This bill is very complex, ill-conceived and poorly prepared. It is almost impossible to administer and if there is any answer to that I should like to hear it.

An hon. Member: You just haven't read it.

Mr. Rynard: No one can. Would it not have been easier to have family allowances payable to everybody and cut back a little on other government spending?

An hon. Member: Like what?

Mr. Rynard: I will give you some examples a little later if you will have patience. Let me refer to what Mr. King did and compare it with the situation today. This bill does not provide the economic help the Liberal party gave back in 1944 when it brought in family allowances. If the minister thinks it does I should like him to get up and say so. This bill includes a means test and classifies poverty. It creates different stratas in our society. What financial help does it give the mothers of this country? I suggest it gives less than the measure adopted in 1944. The minister did not tell the mothers they were going to get less. Let us be clear about that. But he underestimates them.

In 1946 the average industrial wage was just over $30 per week and in 1970 it was just over $130 per week, four times as much or a 400 per cent increase. It does not take a mathematician to compare the purchasing value of the two figures. FISP will pay $180 in respect of children up to age 12, and it will pay $240 in respect of those from 12 to 18 years of age. All FISP does is restore a portion of the purchasing value of the dollar; yet the minister makes a great deal out of what he is doing for the unfortunate poor. Even those entitled to the maximum now will have less in purchasing power than people had originally under the previous family allowance scheme. That scheme was universal; this is not. People will be much worse off, so this is nothing more than a pious platitude or a crying epitaph to a vanishing allowance.

Approximately one-third of those now receiving family allowances will be cut off entirely. About one-third will be receiving the maximum. I should like to know why the $4,500 income bracket was chosen as the most deserving. As far as I know the minister gave no reason for choosing this figure. Why is the $9,100 income bracket the least deserving? About one-third will get the full allowance. About half of the remainder will get less than they do

under the present scheme and the other half will get a little more.

I think we must keep in mind that this bill was first advanced in 1970 but is not going to come into force until 1973. I should like hon. members to remember that the minister first advanced this scheme in 1970 but nothing will take place until June, 1973. What will be the result of inflation in the meantime? If inflation continues at the 10 per cent rate over two and a half years the $20 the minister is talking about will only be worth $18. I notice the minister is making note of this so I hope he will have a change of heart and increase the amount.

• (1150)

Just a short time ago the minister announced that this legislation would be in effect this fall. A week or so later he said it would not be operative until next year. In the space of one week he doubled the time for it to become operative. This is why I wonder whether or not the government knows what it is doing. What information did the minister have when he made the statement that it would be in effect this fall? What information did he have at that time which he did not have previously? I think that is a very pertinent question. Why did he then change the date from the fall until next June? What was his reasoning? In September of 1971 he said it would be operative in May of this year. Does anyone really know when it will be operative? Why was it necessary to hire outside help? Why did th eminister find it necessary to hire experts and consultants from outside in order to tell him how to run the computer.

The minister boasted about what the government has been doing in respect of unemployment insurance and so on. The minister has been in the House only about half the time, but long enough surely to have heard over and over again the questions about people who were having difficulty getting their unemployment insurance payments and were almost starving. If this is an example of the Liberal philosophy of being good to the poor, it is a different philosophy from that of the Conservative party.

As I said before, the experts and consultants had to tell the department how to run the computer. One of the higher-ups in the minister's department said, "Well, it is the computers; we got into a mess in respect of unemployment insurance because of the computers; it was a catastrophe". This makes one wonder whether this bill will be just as great a catastrophe.

Let us take another look at the defects of this poorly drawn and poorly drafted bill. If a worker started with an income of $4,500 in 1970, with the ordinary increase in salary he would receive he would not qualify for the full benefits by the year 1973. He would be paying more money in income tax and would be taxed on the FISP benefits he would receive simply because he would be receiving less money from FISP. In reality this is a tax. This will continue all the way up the scale until he is pushed to the cut-off level at which he will not be eligible. As poverty increases more and more, as it has in the last few years, people will be beyond the cut-off level and less payments will be made in respect of children's allowances.

[Mr. Rynard.]

The minister was not in the House at the time, but I am sure some of his colleagues who are sitting here were, when Mr. Pearson as Prime Minister came into the House in 1963 and announced the very bright philosophy about which the minister spoke this morning to the effect that poverty would be ended. Unfortunately, it has become worse.

An hon. Member: The just society.

Mr. Rynard: No. That came along later in 1968. This is another gimmick, of course. They were trying to fool the people. This is what the minister is trying to do now. I believe he protesteth far too much.

Mr. Béchard: Tell us about the opposition of the Conservatives in 1944.

Mr. Rynard: If you are asking for it I will give it to you before I am through. I will tell you about the mess you made of medicare and a few other things in this country as well as about unemployment and inflation. You will hear about this if you ask for it. On the other hand, if you want to stick to the subject we are on we will stick to it. As I was saying, more and more people are living below the poverty line. This is the way the minister thinks he will end poverty. He may have bright ambitions, but as a result of my experience in life I can tell him that he is no Lochinvar on a white charger.

The last point I wish to make has to do with the complete absence of any provision for the retarded child. The minister may ask what this has to do with this legislation. He continues going around and around the fishbowl. There is no provision for the provincial guardian or some other responsible party to guard and guide the interests of the child. I have seen many children who have been abused. It is not very long ago that many articles appeared about the battered child syndrome. So far as I can see the minister has done nothing about this. No provision whatever is made for the retarded child who requires extra care. If the minister, with his great humanitarian ideas, wants to do the things he is talking about let him bring in a provision to pay for the care of retarded children who are in the home. These children require extra care. Once they go to an institution the government is faced with an expense of $10 to $15 a day. Why does the minister not bring in some provision in this regard and add it to this bill if he really has a humanitarian attitude toward these people? There is no provision whatsoever for the child who is retarded and requires extra care in cases where the parents look after him in their own homes at their own expense instead of shoving him off to an institution at the expense of the public. These people do not receive a cent.

I say to the minister that his bill falls far short of what was done in 1945. At that time payments were made universal. Now he is picking out about a third of the people to help and is doing less for them because of the purchasing value of the dollar. I think the minister should redraft his speech before the public become aware of it.

I wish to refer now to the filling out of the tax reform sheet and what amounts to a tax of 33 cents on every $100 of additional income. In my opinion this is a complete nightmare. The minister obviously does not understand

the bill. I say that with all kindness in my heart because as I looked over the figures I could not understand them either. I asked some other people to look at them and they did not understand them. The minister has already proven that even his experts do not understand this provision or are afraid of the computer because they do not know how it is to be fed the information.

The minister postponed this measure until this June and then until perhaps next June. He goes around and around the merry-go-round. He talks about the poor and about taxing the middle class more. If the minister did not say this I will accept his word for it. However, the Montreal *Gazette* and some other papers thought he was really after the middle class and would reduce them to serfdom. Whether or not the minister really meant that or whether or not he really said it, it is a fact that the middle class people are the ones who will be properly soaked by taxation.

• (1200)

The government refers with piety to its humanitarian instinct and says that all things that are good come from their party. As I look across at them and remember how well they hid the fact that they will increase taxes next year by 3 per cent, I deny their humanitarianism. The minister did not include that in his speech this morning when he was defending the middle class. Whatever the minister's feelings may be, he is part of a government that is increasing taxation for the middle class next year by 3 per cent.

I should like to comment now on these new income tax forms. Every time a person's salary goes up or down he must report it. Every time a person's salary or a person's commission goes down and he finds himself in difficulties because of decreased income and applies for help which he needs immediately, how long will it take to reach him? I ask the minister, if a fellow applies in 1970 will he not get help until 1973? If a fellow finds that his income is cut and he needs the money now, how long will it take before he gets it? I think that is a very fair question.

I do not want to go into further details and embarrass the minister because he is in a sufficiently bad position now. However, let me point out that people must fill in these forms every time their income goes up or down. It is like a yoyo. Once the form arrives in Ottawa nobody will be able to figure it out so they will put it into the computer and then the fellow will be told either that he will get less money next year or a little more. Where are these records to be checked? Believe it or not, they are to be checked in the income tax branch. I remember, as many in the House do, when the right hon. member for Prince Albert (Mr. Diefenbaker) accused the government of attempting to do that very thing, but it was denied. Hon. members can check this in *Hansard*. However, we were told in committee that this is the very thing they are going to do in relation to this measure. These are Gestapo tactics, with a Gestapo checking financial returns that are supposed to be completely secret.

I spoke about the person who really needs help. In the majority of cases it is my opinion that FISP will pay too much or too little each year. There will be one heck of a mess. In the majority of cases incomes will be going up and down like a yoyo. As I said, the process will be computerized and it will be only as good as the people who are feeding data into the computer. Since the information will be changing continually, the computers will get mixed up. This will be no better than Information Canada, and it has been a great disappointment to the people running it. I could go on about a few other things that have been great disappointments.

This measure was brought in with loud cheers from the government supposedly to help the poor more than the rich, but it does not do this. A family with an income of $3,000, paying no income tax and with one child, will get $180 from FISP, but a family with an income of $60,000 and one child will get an extra $184. How in the world can the minister tell me that the plan does more for the poor than for the rich? It seems to me that the only sane thing to do is to make the family allowance universal and to cut back on welfare payments for children by an equal and offsetting amount. The government has just taken us into another jungle of computers from which it will be difficult to extricate ourselves, and already they are in a mess, so far as computers are concerned, with the social security measures they have brought in.

I could refer to medicare and talk at length of the mess there which they do not know how to get out of. They do not know whether to get more doctors because costs are going up and up and they cannot meet them. As I have said before, they do not know what to do with emergency departments in hospitals. So they are in an all-round jungle.

It is my belief that all this should be brought under one department. For instance, why should $30 million be spent on the administration of a program that is supposed to help the poor? This is exactly what is being done, with a doubling of the staff. The minister failed to point this out in his speech. I hope he will correct this when he goes on the hustings. I hope he will tell the people just how bad this bill is.

Mr. Lewis: Yes, do that, John.

Mr. Rynard: It is more likely that the program will cost $50 million rather than $30 million to administer instead of the previous figure of $15 million. Some more universal form must be found of doing this through one department and one form. The costs of other plans now are not only astronomical but the plans are not working in the interests of those people whom we are trying to help.

Furthermore, I am disturbed by the fact that the Department of National Health and Welfare will be checking with the income tax branch. Perhaps the solution could be found by scrapping income tax exemptions for dependent children, scrapping government handouts for public housing and increasing family allowances to cover all these things and make sure that we deal fairly with everybody and that we keep in mind that family allowances are for children. I want to remind the House that the benefits paid with respect to children and persons referred to in subsection 1 of section 5 are to be applied exclusively toward the maintenance, care, training, education or advancement of the children and persons. The cardinal principle is that this is a Family Income Security Plan and that it is the children of this land who are

supposed to be protected. I am sorry to see the government in this age of affluence bringing in a bill that does much less for the poor people of this country than was done in 1945.

• (1210)

Mr. David Lewis (York South): Mr. Speaker, as I listened to the Minister of National Health and Welfare (Mr. Munro) I felt rather sad. It is always sad to watch a man's tortuous anguish as his once kind heart is at war with his guilty conscience, for that was the background of his speech this morning, and it is the background of the speeches he has made recently across the country.

This poor, sad minister, who would like to go down in history as a great friend of the ordinary Canadian, is being ground to dust by the reactionaries who accompany him in the cabinet of Canada. And as is always the case, Mr. Speaker, if you allow yourself to be ground down by ideas and thoughts in which you do not believe, you end up by accepting those ideas and thoughts and becoming just as reactionary as the Minister of Finance (Mr. Turner) and other ministers in the Cabinet.

The minister's speech this morning was a remarkable exercise in lack of logic, in lack of sense and indeed, Mr. Speaker, in lack of honesty. When he was trying to show how much everybody wanted he included not only the additional cost under FISP for universality that some of us advocate, not only the increases in pension costs, but also talked about a guaranteed annual income, something which has never come into this debate. I just wonder whether he should fire his speech writers and advisers because they stopped short. Why did they not include the cost of housing, the cost of post-secondary education, the cost of pollution, the cost of everything else? He would have had a great budget in that case and he could have beaten his poor breast a little harder. Uriah Heap had nothing on this minister.

Because he is trying to suggest to the middle income groups that he is really their champion, what does he do? I say this with great sadness, and I use strong language. He does the most disgusting thing he could have done, and that is to appeal to the anti-welfare backlash in this country.

If there is any logic at all in what he said, let me say to him that his bill, with the maze and mess administratively that it is, is only an invitation to abuse. Anyone who knows anything at all about law or about administration knows perfectly well that if the administration is simple, abuse is difficult—you cannot get away with anything. But if the administration is complicated, abuse is a lot easier. There are loopholes you can get through. You can deny that you have made $200, that your wife has made $200, or deny other things much more easily than you could have under the previous plan.

The minister knows that a complicated bill will make abuse easier. Then why in heaven's name should he talk about it? Why does he talk about it except to try to throw sand in the eyes of many people who think that this bill is a retrograde step? There are many people in his constituency, many workers in his city, who know that what he is doing in this bill is diddling the people of Hamilton and the people of Canada.

[Mr. Rynard.]

Then he reminds us that only 11 per cent of the people in Canada make incomes over $10,000. We have been saying that to this government and to the Conservative government that preceded it ever since I have been active in politics. We have been saying to these people that the kind of system they promote concentrates income and wealth in an ever smaller group of the population. He is not telling me anything new when he tells me that only 11 per cent—and I am a little surprised it is as high as that—have incomes above $10,000. But what he did not tell us, and what he carefully avoided telling us, is the proportion of the total income in Canada, the percentage of the total wealth in Canada, over which this small group of people actually have control. It is about 30 per cent, compared with his figure of 11 per cent of the population.

FISP is a tax on the middle income groups, and the minister is hypocritical when he warns those groups about taxing them. He is taxing them in this bill when he takes from them the payment that would otherwise have been made to them. It is a regressive tax because it is a tax that falls only on those who have children. That is why it is a regressive and undesirable tax.

Here we are talking about the middle income groups. Ages ago we used to speak about such people being fairly rich, but now we are talking about people making between $7,000 and $11,000 a year, and that in modern society is not very much.

May I remind this minister who undoubtedly reads history, particularly the history of the Liberal party, with a great deal of attention and pleasure, that when the late Mackenzie King introduced family allowances in the first place he reduced the tax exemption for a child in receipt of family allowance from $500 to $300.

We are told in books that Mackenzie King sometimes consulted certain mediums. May I suggest that this minister consult the ghost of Mackenzie King because even from that gentleman he could learn a great deal, and he has been dead for some years. That is the way to handle this matter. When you have a universal family allowance plan you should deal with the tax system as was done in 1944-45. You do not deal with it as the minister does.

The minister says that all the increases in welfare and in family security that we advocate will cost a lot of money, and asks where will the money come from except from the middle income groups? I want to tell him where it can come from, Mr. Speaker. He is right when he says it could only come from the middle income groups so long as his government is in power, because that is the only place that his government will go for the money.

Mr. Munro: I did not say that.

Mr. Lewis: So long as the squire from Mount Royal is Prime Minister of Canada, the only people who will be taxed will be the middle income groups. But if you had a government that was oriented toward the people of Canada, that was honestly concerned about improving the lot of the ordinary Canadian, there would, let me tell the minister, be no mystery about where the money could come from.

On a national accounts basis this year we are to collect, after the last budget, 50 per cent of our federal revenue

from individual taxpayers and only 12 per cent from corporations. Just ten years ago we collected about 41 per cent from individuals and somewhere around 20 per cent from corporations. Twenty years ago we collected about 28 per cent from individual taxpayers and 27 per cent from corporations, and about 25 or 30 years ago we collected about 27 per cent from individuals and 28 per cent, 29 per cent or 30 per cent from corporations. This government and the Tory government that preceded it in 1963 introduced tax systems which have consistently squeezed a larger and larger proportion of federal revenue out of individual taxpayers and consistently reduced the proportion that comes from corporations.

• (1220)

What is the result of this kind of tax system? The result is that in 1969, the latest year for which there are figures, 46 per cent of all Canadian corporations did not pay a single, solitary cent in income tax.

Mr. Nystrom: And people call this a just society.

Mr. Lewis: Of the mining and oil corporations in Canada, 78 per cent did not pay a single sou in income tax to the federal treasury. Poor Shell Oil Company, Mr. Speaker, one of the underprivileged, impoverished multinational corporations of the world, made about $250 million in profits in the five-year period between 1964 and 1969 but did not pay a single, solitary cent in income tax to the federal treasury. One might assume that Shell Oil would be philanthropic; well, it was not. Falconbridge mines in the same period made a profit of about $250 million and paid $15 million in income tax; that represents a tax rate of 6 per cent. And, if that was not enough, the company shortly thereafter obtained a $4 million grant from the federal treasury. That was a gift from the people of Canada to another impoverished corporation in Canada.

Mr. Gilbert: How do you like that, Murray? Are you not proud?

Mr. Lewis: The tax cuts and other goodies the Minister of Finance (Mr. Turner) provided for the corporations of this country a little while ago will save them $500 million in the first year and $700 million in the second year. He has given them $1.2 billion which they do not need, as profits in the last six months have been going up, up and up without ceasing. They have increased by between 30 per cent and 40 per cent over what they were in the similar period one year ago. The minister has handed $1.2 billion to the corporations. This is money which they do not need, money which will not create any employment, money which has been given to manufacturing and processing concerns that are now working at less than capacity. I say to the government that if that $1.2 billion were used to help the poor in Canada and middle income groups of Canada, not only would there be greater justice in our society but the economy would be a great deal better off and unemployment would be reduced.

I remind the minister also of the handouts this government has given corporations every year. The total amount, including tax concessions, etc., is about $2 billion every year. We have given handouts through the Department of Regional Economic Expansion. According to a preliminary study undertaken by a young professor who did a conscientious job, handouts of $200 million, $300 million and $400 million a year under DREE have brought almost no benefit to the areas of this country concerned. We hand out hundreds of millions of dollars under all sorts of programs. These handouts to corporations altogether total about $2 billion a year, Mr. Speaker. I emphasize this. I say that that is where the money is to be found, that is from where it should come. Let us stop this welfare system for the wealthy corporations of this country, most of them foreign-owned, and let us bring in some welfare for the ordinary people of Canada.

Some hon. Members: Hear, hear!

Mr. Lewis: Mr. Speaker, when you look carefully at the budget which the Minister of Finance presented you will arrive at a significant and important conclusion, and if any member of the Liberal party is not shaken by that conclusion he has lost his marbles, lost his humanity, or perhaps lost both.

Mr. Knowles (Winnipeg North Centre): If he had any marbles or humanity to begin with.

Mr. Lewis: When you read the budget speech of the Minister of Finance and peruse the accompanying material, you will find that the corporations of Canada will contribute in 1972-73, on a budgetary basis, 15 per cent of the total federal revenue. If you look at another chart in the budgetary material, you will find that the federal government will pay out 15 per cent of all federal expenditures to the corporations. It will pay that much to them under what is called economic development and support. Economic development and support obviously means various handouts to corporations under DREE, under other development grants, under defence industry programs and includes, I must add, manpower training grants which undoubtedly would be desirable if the program were planned properly.

I want to draw your attention, Mr. Speaker, to this: Corporations will contribute 15 per cent toward revenues; corporations will take 15 per cent of the expenditures. In the result, the corporations of Canada will contribute nothing at all to family allowances, old age pensions, medicare, hospital insurance programs or to any of those humane schemes that reluctant governments have been forced to put on the statute books. That is the result of this government's policies. One can readily see where the money can be found.

The money is there, Mr. Speaker, the funds are there, the revenues are there, and the necessary wealth is there. This is a great country, a rich country, a wonderful country. The minister cannot do what I assume in his heart he would like to do, namely, deal justly and decently with the people of Canada, because the funds, the wealth, are in the wrong hands. They are in a few corporate hands in this country and the government does not have the guts to open those hands and take for Canada the money that is in them.

Let me tell the minister of another way to obtain revenue. The government could obtain more if it were to reduce unemployment significantly. The Economic Coun-

cil of Canada said two or three years ago that every percentage point of unemployment means a loss to us of $1.5 billion per year. Today that loss is probably slightly more in view of increased prices of various sorts. Every percentage point of unemployment means at least a loss of $1.5 billion. Every $1.5 billion that is lost to us represents a loss to the federal treasury of approximately $500 million, $600 million or $700 million; I do not know exactly how much is lost that way. If unemployment, instead of being at more than 6 per cent on a seasonally adjusted basis, were to be down to 3 per cent, the minister would have all the revenue he needs for a proper family allowances plan and a proper old age pension plan, and there would be no need to impose additional taxes on the middle income groups of this country.

What has this government permitted? It has deliberately created loopholes for corporations that cost the treasury about $400 million each year. It has deliberately cut the taxes of corporations, and these tax cuts will cost the treasury $500 million and $700 million a year for two years. We are talking about $1 billion, roughly. It has deliberately given the mining and oil corporations tax holidays without end. These, according to the hon. member for Duvernay (Mr. Kierans), cost the federal treasury between $300 million and $400 million per year. I heard the other day that Steep Rock mines in northern Ontario was very interested in the three-year tax holiday which is given to the mining corporations of Canada. What did that company do? It had what you and I and anybody else would call one mine. It divided this into three parts, opened the first third and got a three-year tax holiday. When that holiday ended it opened the second third and obtained an additional three-year tax holiday. When that was ended it opened the final third and got another three-year tax holiday. So, instead of obtaining a three-year tax holiday it got a nine-year tax holiday, Mr. Speaker. I understand that the operation was a strip mining or surface mining operation. The company is now considering sinking some shafts, calling it a fourth mine and asking for another three-year tax holiday.

The tax system for which this government is responsible makes that kind of tax avoidance possible. It gives these benefits to corporations. It deliberately creates massive unemployment that brings further losses in production and in revenue, and then it stands there and cries shamelessly "where is the money to come from." The money is there, Mr. Speaker. It is there in the corporations. It is there in the country and the government will not do anything about it.

• (1230)

The real problem that faces the minister and the country with respect to social security programs is that for many years, instead of doing the humane and decent thing of adjusting those programs year by year in accordance with the cost of living increase and the standard of living increase, we sat back and let the same inadequate amount be paid year after year for tens of years, as we did in this case. Suddenly we arrive in 1972, an election year, and the government feels that it ought to do something. They sit down and make calculations and find that if they are to increase the $6 that is now paid for the cost of living increase this figure must be increased to $15. Therefore you get a 150 per cent jump in one year. To increase the $8 now paid for the cost of living increase the figure must be increased to $20. Again there is a 150 per cent increase in one year. That is what is wrong with our system and the way we do things.

If we had increased the $6 to $7 or $7.50 and then to $9 the second year as the cost of living, the gross national product and the standard of living went up, and increased the family allowance year by year in accordance with the increase of wealth in this country, no one would have to make the kind of calculations which the minister had to make this morning. The increase would be related to what is happening in our economy and to prices. The people would have been dealt with fairly.

What good is it to a family whose children are now grown up who were in hardship all the years the $6 meant less and less year after year until we reached 1972 when it does not mean anything at all? What good is it for the family who lived through those hardships without getting the increases? Justice demands universality. Decency demands universality. Unity demands universality.

The miserable excuses which the minister has trotted out in this and other speeches are meaningless. They are without validity and without meaning. They are the hapless cry of a guilty conscience that is now trying to make political hay out of a situation that the minister knows will not come to him. In fact, we are rearing the point which makes it impolite for me to describe precisely the present state.

The minister talked about our fooling the middle income people. We are not trying to fool them. It is a simple fact that many of the voters in the minister's constituency, Hamilton East, who work for Stelco, Defasco, Westinghouse, in other plants or anywhere else will not receive a penny in family allowance. It is shameful and criminal that that is the way we are going to treat a large proportion of the voters in the minister's own riding. That is why he makes the speeches he does. The minister knows perfectly well that those people resent what he is doing to them. They see that he is adding a tax on to them through this bill. Therefore, he is trying to build up a case for himself. No one, even people who are sometimes called tough, will really begrudge a poor, suffering conscience like that of the minister from looking for an excuse and seeking to get out of this terrible, immoral morass into which the minister and his colleagues have gotten themselves. I am really sorry for the minister. He looks like such a nice guy. He talks as though he really wants to do something. However, after his speech is over the substance which he produced is as disappointing as the poor excuses he tried to make.

My colleagues and I see no excuse for the destruction of the principle of universality. We do not see anything which the minister can boast about in bringing up the family allowance to the level at which the cost of living would have brought it up anyway. We see only sadness in a situation which will divide people and again hurt people who ought not to be hurt. The Minister of National Health and Welfare cannot possibly persuade anyone with intelligence and any kind of social conscience that his FISP bill is anything other than a miserable destruction of the important principle of universality, anything other than

neglect for a large number of the children of this country, or that it will assist the poor in Canada as they ought to be assisted. All the minister is doing is enabling them to buy as much in 1972 as they were able to buy some 12, 15 or 20 years ago.

I oppose the bill now as I did then. I am only sorry that the minister is engaging in the kind of argument he has advanced. I suggest to him it is saddening and rather undignified to see him in constant convolution trying to make sense and decency out of a bill that has neither.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I am happy to speak to the topic now before the House which, to my mind, is one of the most important ever discussed here.

Family allowances were given the Canadian people in 1945, I believe and they have remained practically the same since. In fact, they were increased by approximately $1 whereas the cost of living has gone up by about 300 per cent.

Now, we see that the minister wants to reduce families to the level of dollars because he reduces family allowances to a matter of dollars and cents. The minister does not know where he will get the money needed to pay those allowances.

But families are worth more than dollars. If there is anything truly concrete, truly great, truly noble, the family is. In fact, were it not for the family, governments would not exist. The population is made up of families. The family has the right to live, it needs all the state can do for it. The needs that should be given priority in our economy are those of the family.

All the speeches we have heard the minister deliver on family allowances are imbued with the fear of lack of money to ensure a decent life to the children of Canada from the uncalculable resources the whole country would have to distribute. We rightfully claim that such an approach to the problem of family income security and family allowances is depressing and absurd, even though it represents the thinking of our most intelligent members of Parliament who endeavoured to summarize government policy in a notorious white paper which was communicated to the population a year ago, published after wide research in the fields of university, administration and legislation. Now let us look at the results. They are offering an extra $170 million, a staggering amount for Canada's 7 million children under 17, the third of a population with a national product of $92 billion in 1971-72 and a production of over $100 billion in 1972-73.

They don't know where to get the money! With an increase by $8 billion in the gross national product in 1972-73, they are wondering where they will find money to help families. But they fail to realize that if we give more money to the families through family allowances they will not keep it but they will spend it.

• (1240)

By doing so, we would give a new impetus to the economy. Families would pay 12 per cent sales tax to the federal government and 8 per cent to the provincial government—I am thinking of the Quebec government—in addition to all kinds of direct and indirect taxes.

We do not know how to raise money, but we forget that payments made to families would be recovered by the treasury.

Mr. Speaker, having increased by $170 million the allowances paid to the 7 million children under 18 and following an increased production of $8 billion for next year, we forget that 50 per cent of Canadians are unemployed and cannot purchase the goods available in stores and warehouses. We must keep in mind that giving money to families will be the best investment ever made in the history of our economy.

We have funds for the Opportunities for Youth program. This morning I received two telegrams from citizens who asked me to see that things are straightened out because some persons have received grants under this program and they are spending it on orgies. We are witnessing the corruption of our youth. There is plenty of money to corrupt youth, but none whatsoever to support families.

But, national production from 1944 to 1945 amounted to $12 billion only and it has increased to $92 billion in 1971. It will reach $100 billion in 1972.

In 1944, an hon. member's basic salary was $4,000 and we are now drawing some $26,000—nearly seven times more. But family allowances have remained at the same rate. In fact, we take decisions according to our judgment and knowledge.

The salaries of members of Parliament and of many other people have kept pace with the ever increasing cost of living, but family allowances have been left aside. What could be more important, more easily perceived and more human than the family, for it constitutes the basis of society.

The revenues of judges, ministers of the Crown, university graduates, accountants, economists are all geared to rise with the cost of living and the national product; but in the case of our children—they account for one third of our population—the same family allowance rates apply as in 1944-45 when the GNP had an estimated value of only $12 billion, seven or eight times less than today. Yet, we live in the year 1972-73.

Mr. Ouellet: Right you are!

Mr. Latulippe: Therefore, it seems to me that, about a matter of such importance as guaranteed personal and family income, all the members chosen by the people of Canada to represent them in this House, all equally interested in the well-being of every one of the 23 million citizens living in Canada, in their constituencies, should get together because the most important of all economic questions is that one, a guaranteed personal income based on our national product, brought about by the development of our natural and national resources, by means of the capital and the labour invested by the active adults of our land.

If at long last we would realize that the life of our fellow Canadians is as important as the capital and the labour of the makers of our national product, we would at least

have taken the first step towards a balanced economy, a balanced economic security.

• (1250)

In the various sectors of our economy, we could at last hopefully foresee the end of inflation, unemployment and poverty by putting the needed economic blood in the hands of the true consumers who are the families.

But all that, Mr. Speaker, requires the acknowledgment of the first objective of all government and parliamentary activities: to guarantee the income security and the life of every living citizen, every human being. This is the first objective of our government. The life of the citizens must have priority over capital—the minister should know that—even over labour because where can we find capital and labour if the citizen has no life?

If we protected so much the capital, the guaranteed income and the work of each individual, why should we not take more care of the life of every citizen even if they have neither work nor money? This is the main concern of any sound, honest and logical administration, of any efficient legislation. This is the main question which should interest all government members elected by the same nation numbering about 23 million at the present time, all having the right to live before being entitled to work and to have money.

Life must come before everything. It is because there are citizens that we have a country, provinces and municipalities.

If capital has an existence which differs from that of human beings, if work exists as an expression of man, life is the foundation of this man's existence and the base of his work or of his capital. Without life, capital and work are impossible for a citizen.

Life deserves our attention; it must be the first objective of our national economic administration as it is the first expression of each citizen's existence even before he is able to work or own capital.

Life first, work afterwards. Is this the order we follow in the hierarchy of our administrative priorities? It is not surprising that there is a lack of economic balance, that capital has to cope with inflation, that work is affected by the changes in the unemployment rate and that the lives of citizens are threatened by the obtrusive presence of dishonouring and depressing poverty.

This is a situation which prevails in many Canadian families. This is how the more we progress the more we go backward in the battle against inflation, unemployment and poverty. We simply take everything backward and cannot see straight. We try to protect capital and work before protecting the citizen. We are considering the scale of values the wrong way. We think we are going up but we continue to slide. Mr. Speaker, this is where we must intervene with all our might, with all our being. We must claim respect for our legal family rights and the establishment of the genuine just society for the family. This is why everywhere capital becomes more and more important, in volume and in revenue, to the detriment of personal incomes which are increasingly taxed, to the detriment of the way of life of citizens without work or money, who become more and more impoverished by the rising cost of living. Citizens too young, too old, too sick are unable to earn their living either through work or through capital.

We are rich, Mr. Speaker, and we live in poverty. The hon. minister should understand that. This can be remedied by the simple conversion of the guaranteed personal income, by the vital personal right of each family, taking into account the decision we will reach here, in Parliament, the members elected by the people of Canada for a period of five years ending around mid-July 1973.

The decision is up to us; no other citizen of Canada can be held responsible for this decision. Everybody has had the chance to have his say in the many royal commissions held in the last ten years. Research councils and white papers have done their job. Now is the hour of action, of legislation, of administration, in short, the establishment of a new economic order which depends on us only.

If capital is very well treated by every kind of companies and labour unions, the fact remains that every citizen's right to live must be defended with energy and protected permanently by the provisions of Bill C-170 which cannot be adopted without due consideration.

Mr. Speaker, may I call it one o'clock.

The Acting Speaker (Mr. Laniel): Order. it being one o'clock, I do now leave the chair.

At one o'clock the House took recess.

[*English*]

AFTER RECESS

The House resumed at 2 p.m.

[*Translation*]

ROUTINE PROCEEDINGS

HOUSE OF COMMONS

COMMENT ON EXPERIMENTAL BILINGUAL ORDER PAPER—SUGGESTED EXTENSION TO "HANSARD"

Mr. Gaston Clermont (Parliamentary Secretary to President of Treasury Board): Mr. Speaker, I rise on a point of order.

I take this opportunity to congratulate Your Honour on having supplied hon. members with a sample of a bilingual order of the day, which format exists already in the case of bills and committee proceedings. I trust that this practice will soon extend to *Hansard* and the *Votes and Proceedings* of the House.

CANADIAN CULTURE

CONSERVATION OF DOCUMENTS DONATED BY RIGHT HON. MEMBER FOR PRINCE ALBERT—STATEMENT BY SECRETARY OF STATE

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, the House is already aware of the government's interest in all matters affecting cultural development in Canada. In the past few years this interest has become apparent in areas such as publishing, museums, films, the purchase of collections and the award of grants to cultural institutions. Other matters are being studied, some of which are of such importance that certain acts will have to be amended and we shall table these amendments in the House at the appropriate time.

Some time ago we were informed of a suggestion which will certainly interest the House of Commons. The right hon. member for Prince Albert (Mr. Diefenbaker) decided some time ago to offer to the University of Saskatchewan his collections of documents, books and other items relating to his term of office. The university expressed the desire, not only to accept these collections, but to locate them in a setting worthy of their importance. In order to do so it would be necessary to construct a building on the university campus at a cost of some $600,000. The organizers of this project are making every effort to obtain half of this sum from the private sector and they propose that the remaining $300,000 be contributed by the federal government. This suggestion has been studied by our services and negotiations are now under way between the Public Archives, the University of Saskatchewan and the Department of the Secretary of State.

On the basis of this suggestion, I have asked the officials of the Department of the Secretary of State to submit to me a general policy on the question of documents which prime ministers decide to donate to private institutions, as was done by the Right Hon. R. B. Bennett whose papers are now deposited in the archives of the University of New Brunswick.

However, while these negotiations are still taking place, I wish to inform the House of Commons that the government is most willing to continue its discussions with the University of Saskatchewan, so that the right hon. member's very generous gift can be placed in a setting appropriate to the important contribution he has made to the development of this country.

[*English*]

Some hon. Members: Hear, hear!

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I know the statement made by the Secretary of State will be received with delight by members of the House. As a general proposition it is, of course, very important that we preserve and develop a sense of the history of our country as well as an understanding of our country. As my fellow Nova Scotian, the late Joseph Howe, said so well many years ago, a wise nation honours her great men.

Some hon. Members: Hear, hear!

Mr. Stanfield: The right hon. member for Prince Albert already holds a very proud place in our history, and it would certainly be very inadequate and inaccurate for me to describe my right hon. friend as an historic figure because, in addition to his proud place in our history, he continues to be a very strong public force in our contemporary life. So, my few words today are not intended as an obituary or as a summing up of the right hon. gentleman's career, because I am certain there will be a few more papers and documents added to the collection we are discussing today.

• (1410)

I should like to say simply that the recognition of the right hon. gentleman's contribution, and the respect and admiration for the right hon. gentleman, is shared by Canadians and that the recognition, respect and admiration for him transcend far beyond party lines in this country. I am happy, therefore, at the decision of the government and I believe it will give pleasure throughout the land. The right hon. member has made a generous gift. It is reassuring to know that it will be properly housed and displayed, thereby deepening the understanding of Canadians of their country and of this very unique Canadian. It is appropriate, of course, that this collection be housed in the university to which the right hon. gentleman is devoting his service and his talent as chancellor. I believe that this move to strengthen the culture of our country is one which every member of this House will approve without reservation. I congratulate the Secretary of State and the government, and I express the hope that the library to be built will make ample provision for an expanding collection.

Mr. David Lewis (York South): Mr. Speaker, the Leader of the Opposition said that he was not indulging in an obituary. My comment on that is that there are many young people in Canada who envy the liveliness and the vibrant presence of the right hon. member for Prince Albert (Mr. Diefenbaker). One of the great strengths of the democratic system, one of the attributes of our system that distinguishes it so fundamentally from other systems, is that men and women who disagree strongly about social and political objectives and philosophies none the less respect each other and honour each other as citizens of the world and as citizens of Canada. I want to say without any hesitation whatever that I add my words to those expressed about the right hon. gentleman's contribution to this institution and to Canada as a whole.

I sometimes think, Sir, that there are three categories of politicians. First, there is the serious, hardworking politician who serves his constituency and the country. Second, there is the one who may have the joie de vivre and who makes of political activity a kind of interesting game; and the third, one who has the capacity to combine both. I think that the right hon. gentleman from Prince Albert has the capacity to combine earnest service to his constituency and to the country with a liveliness of attitude and of expression that makes of politics a joy rather than a chore. That is a great contribution, Mr. Speaker.

Finally, sir, I also wish to congratulate the Secretary of State, not only for his action with respect to the papers and documents of the right hon. gentleman from Prince

Albert, but for having done more than honouring one person by giving a proper place to safeguard important documents of the history of this country, which is obviously a desirable objective. Canada's history, unlike that of many other nations, consists less of victorious generals, admirals and the like, and much more of victorious people in the building of a decent society. That is why, with others, I greet the right hon. gentleman from Prince Albert, and am so proud of my country.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to join my colleagues in thanking the right hon. member for Prince Albert (Mr. Diefenbaker) for offering his collection of documents, books and other objects relating to his term of office. His gesture is doubtless very eloquent and the Canadian people will have the opportunity of becoming acquainted with the activities of this statesman.

To my mind, the Secretary of State (Mr. Pelletier)is right, in a way, in taking steps to locate those documents in a worthy setting. The minister did not specify whether the proposed building will be used only for that collection or other ends. In any event, I believe this is a positive measure which should be repeated in the future.

[*English*]

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I find great difficulty in expressing my deep feelings of appreciation to the Secretary of State (Mr. Pelletier) for the announcement he has made, to my leader, the hon. Leader of the Opposition (Mr. Stanfield), to the hon. member for York South (Mr. Lewis), and to the hon. member for Abitibi (Mr. Laprise). If I were to express everything that is in my heart, it could be embodied in a few lines. This day reveals the true meaning of Parliament. Each of us here is trying to make his or her contribution to a greater Canada.

Naturally I am most grateful, personally. This announcement came as a complete surprise to me. Again I thank one and all for what has been said, and as Chancellor of the University of Saskatchewan I know I speak for the entire company of scholars of that university when I say how grateful that institution will be for what the Secretary of State has announced. From the bottom of my heart, Mr. Speaker, I thank hon. gentlemen. This is a day, for me, to be remembered.

Some hon. Members: Hear, hear!

* * *

CANADIAN NATIONAL RAILWAYS

ANNOUNCEMENT OF PENSION INCREASES FOR RETIRED EMPLOYEES—PROPOSED CHANGES IN PENSION PLAN

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I am informed by the President of Canadian National Railways that the company is announcing today that pensions, including pensions received by widows, will be increased to take into account increases in the cost of living since 1969.

• (1420)

Members may recall that effective January 1, 1971, Canadian National pensions were increased by 2 per cent for each year of retirement up to 1969, and in some cases by a larger percentage. The increases to be announced by the company today will, from January, 1972, add 4 per cent to all current pensions that were in force on December 31, 1970; and 2 per cent to current pensions that first came into force during the year ending December 31, 1971. Combined with the action taken in 1971, the effect is that CN pensions will have been increased by 2 per cent for each year of retirement throughout the period 1935-71. I am also informed that the General Chairmen's Association, representing all union members in CN, has submitted proposals for changes in the company's pension plan and these proposals are currently under discussion by the CN Pension Board. Among them is one to escalate pensions because of the higher cost of living.

The announcement by Canadian National of increased pensions is in response to that proposal and to the strong representations made by the General Chairmen on the Pension Board that action be taken as quickly as possible. I might add, parenthetically, Mr. Speaker, that undoubtedly there were strong pressures from this House, as well. The Pension Board has expressed the view that similar adjustments of existing pensions should be made in the future. I understand the union members of the Pension Board welcome this response to their representations.

With regard to the pension formula and other improvements proposed by the General Chairmen's Association, their representatives on the Pension Board are hopeful that further changes to the pension rules will follow. Mr. MacMillan advises me that historically changes proposed by the Pension Board have been implemented. In any event, negotiations with unions representing major groups of employees are due to open well before the year end, at which time any unresolved question is expected to be a bargaining issue.

Having regard to on-going discussions in the Pension Board and the opening of negotiations in the fall, I hope that all hon. members will agree that these matters should be left to labour and management to be resolved in that process. The President of CN also informs me that several changes have been made in the Pension Plan and its administration, through agreement reached through the Pension Board, since the 1970 report of the Standing Committee on Transport and Communications. One of those changes I have already mentioned: the 1971 escalation of 32,000 pensions. In addition, early retirement rules were improved; the 1959 plan was again reopened to members of the 1935 plan and 9,000 employees transferred; age and service requirements for survivor benefits were eliminated for employees killed in the performance of duty and the Pension Board has been reconstituted to give equal representation to union and management, with each side including a pensioner in its membership and designating a co-chairman. In 1972, the company's costs for pension plans are expected to be at least $50 million, an increase of $17 million, or 50 per cent over the last two years.

Mr. Charles H. Thomas (Moncton): Mr. Speaker, we in this party welcome the minister's announcement of the long overdue increases in Canadian National pensions. I think it is a tribute to the workings of the parliamentary system that there was unanimous support for this from all sides of the House. As a result of the report on pensions the Standing Committee brought down some years ago, and through the efforts of the minister, this breakthrough has been accomplished. I hope that benefits will continue to flow from this report in the years to come.

The increase in pensions will be welcomed by all those pensioners whose pensions, which were far from adequate when they were first established, have been eroded because of inflation which has gone unchecked for the past four or five years. These increases will be welcome news for them, but I point out to the minister that they are little enough. These increases do not offset increases in the cost of living, which run between 3.5 per cent and 4 per cent per year, nor will they offset any purchasing power pensioners have lost over the years as a result of inflation.

I am encouraged by the statement that the matter of escalating pensions is to be a continuing subject of discussion by the Pension Board. I am hopeful the minister will use his influence to persuade the pension board that the very least that should be built into the CNR pension plan is a provision for the automatic escalation of pensions to cover the cost of living. It is an anomalous and distressing situation that these pensioners should be the pawns of Parliament and have to come to us hat in hand to ask for increases in their pensions which should be given to them as a matter of right because of the inflationary situation we have today. I hope the minister will use his influence to persuade the pension board to recommend that this provision be built into the CN pension plan.

I also hope that the minister will use his influence with the Canadian Pacific Railways. The CPR is not mentioned in the minister's statement, naturally, but I hope the minister will be able to prevail upon the CPR to take some action.

I am a bit disturbed by the announcement concerning the pension plan for those now employed by CNR. It is stated that since this matter will come up for negotiation this fall, probably we should leave it this way. Representations were made during the committee hearings. The union took the position that pension adjustments or increases were properly a matter for negotiation. After talking to CNR workers, my impression is that they are not satisfied the pension scheme has been given proper attention in negotiations. I strongly urge the minister to consider this matter. If something satisfactory does not develop as a result of the negotiations this fall, some action must be taken to protect the employees who feel they are not being given a proper break. This escalation provision should be built into their pension scheme so that escalation becomes a matter of right.

I congratulate the minister on this announcement. I ask him not to rest here, but to continue to press the CNR and CPR to bring their pension schemes up to a comparable level with those which prevail in industry.

Some hon. Members: Hear, hear!

C.N.R. Pension Increases

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Friday, December 19, 1969, when the President of the Treasury Board (Mr. Drury) announced a formula for increasing the pensions of retired civil servants, and again on Friday, February 5, 1971, when the Minister of Transport (Mr. Jamieson) announced increases in the pensions of retired Canadian National Railways employees that were then being put into effect, I did not hesitate to rise in my place, congratulate both of these ministers and express appreciation for what was being done. I must say, however, that I can hardly be expected to leap for joy today over what the Minister of Transport has now announced.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): This statement is reasonably lengthy. It makes many references to matters still under discussion about which something might be done in the future. It also recites, as a matter of history, a number of things that have been done in the past couple of years. However, with regard to what was announced today in terms of actual dollars and cents, all we have been told is that the arrangement to escalate CNR pensions by 2 per cent for each year of retirement has been brought up to date by two years. That is all it does. This means that those who got the increase that was provided a little over a year ago will receive increases based on 2 per cent per year or for the two years, 4 per cent but that does not mean 4 per cent of what they are now getting. It is 4 per cent of their basic pension which was established years ago. It means that those who retired in 1970 will get a 4 per cent increase, while those who retired in 1971 will get a 2 per cent increase. That is all it does, and the minister has the gall to say that this is being done to enable these pensioners to cope with the increase in the cost of living. Even old age pensions and veterans pensions are being increased in accordance with the actual rise in the cost of living or in other words, by 3.6 per cent. But these retired employees are being asked to settle for 2 per cent in a year in which the cost of living increased by 3.6 per cent, or 4 per cent over two years in which the cost of living increased by 7 or 8 per cent or more.

• (1430)

I therefore say to the minister that though, like the last speaker, I am prepared to welcome anything which is given to pensioners, when it will amount only to a dollar or two a month, as it will in many cases, I am sure he will not expect me to shout for joy; I am sure he will not think it incumbent upon me to express great appreciation of what has been done. I think the minister should go back to his office, get Mr. Norman MacMillan on the phone and tell him this is not good enough. A lot more has to be done.

The escalation of railway pensions has to be put on a permanent basis. It should not be a case of this being done every year or so when ever the opposition gets tough on the CNR financing bill. Escalation of the pensions of employees must be related to the cost of living. It is not good enough to give a 2 per cent increase when the cost of living goes up by 3 or 4 per cent. The time has come for an adjustment in the basic pension plan so that there will be a factor of at least 2 per cent for every year of service an employee has worked. These questions have been under

discussion across the country, so the CNR management and the pension board understand them just as well as anyone in this House. They know, even before the minister telephones Montreal, that this increase is not satisfactory and that it will not be satisfactory to the employees who have retired. Yes, we are always glad to see increases in pensions, even a dollar or two, but this is not good enough and I call on the minister to make this fact known to the CNR.

I know it is about time for me to resume my seat, Mr. Speaker. Like the hon. member for Moncton (Mr. Thomas) I suggest to the Minister of Transport that he should not tell us he has no influence over the CPR. The CPR is not the government of the country. The cabinet over there is the government. It is time for the government to tell the CPR to put the pensions of its employees on a just, proper and humane basis, and to do it now.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, I am pleased to congratulate the hon. minister for announcing the decisions reached by the CN in respect of its retired employees' pensions. We should normally rejoice since this project provides increased payments, but actually the increase is so small, as the hon. member for Winnipeg North Centre (M. Knowles) has pointed out, that judgment really calls for some qualifications.

The CN estimates that its pensions schemes will cost at least $50 million, that is an increase of $17 million. But these amounts are not so considerable if we take into account the great contributions made by CN employees as well as the messing about that has been going on for a long time in the pension fund. It is known that these pensioners have asked the government to compel the CN to repay into the fund an amount of $675 million it had borrowed for 60 years at 4 per cent interest.

Everyone is aware that Social Crediters are against levying interest on new credits or savings. As regards the $675 million loan the CN has obtained from the pensioners' fund at 4 per cent interest for a period of 60 years, we think it has gone a little bit too far and this is why the CN is egged on today to grant a small increase of $1.50 or $2.

Another important point which should be raised, Mr. Speaker, is the fact that before the 1968 elections, the CN had received the support of some government members to distract from its pensioners' fund an amount of $371 million.

We therefore rejoice—as I said earlier—at what is happening today to pensioners, but we hope that the hon. minister will make a statement informing us when the CN intends to repay into the fund the $675 million it has borrowed at 4 per cent interest and when it will repay the $371 million which it also had to borrow and which appear nowhere and can to a certain extent be construed as a theft.

I therefore ask the minister to make another statement in the near future.

[Mr. Knowles (Winnipeg North Centre).]

[*English*]

COMBINES

TABLING OF REPORT OF RESTRICTIVE TRADE PRACTICES COMMISSION ON DRAUGHT BEER, METROPOLITAN TORONTO

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): With your permission, Mr. Speaker, I should like to table in each of the official languages a report of the Restrictive Trade Practices Commission entitled Draught Beer, Metropolitan Toronto.

Some hon. Members: Hear, hear!

* * *

FINANCE

COMPENSATION TO PRAIRIE FARMERS FOR LOSS RESULTING FROM INCREASED VALUE OF DOLLAR—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. John Burton (Regina East): Mr. Speaker, I wish to move a motion under Standing Order 43. My motion is related to further recent increases in the exchange value of the Canadian dollar resulting in a total increase of 10 cents over the past two years. I have made calculations which show that every increase of one cent costs prairie farmers $10 million and that an increase of 10 cents costs prairie farmers $100 million a year. Thus, I move:

That this House urges the Government of Canada to give early consideration to the provision of compensation to Canadian farmers to offset the loss of income caused by falling export prices brought about by the rising exchange value of the Canadian dollar.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: No.

Mr. Speaker: There is not, and the motion cannot be put.

* * *

[*Translation*]

FILMS

PROTEST RESPECTING FILM "DUPLESSIS ET APRÈS"—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I wish to move a motion under Standing Order 43.

I ask unanimous consent of the House to move an urgent motion concerning a film which has been showing for a few weeks in several Canadian theatres, and particularly at the Comédie canadienne theatre, entitled "Duplessis et après . . ." This film was made by the National Film Board with the taxpayers' money—

Mr. Speaker: Order, please. The hon. member must state his motion. He cannot make an argument to support a motion which he intends to submit to the House.

Mr. Rondeau: Thank you, Mr. Speaker.

All along that film, fun is made on institutions—

Mr. Speaker: Order, please. The hon. member should take into consideration the suggestion which I have just made to him. He cannot make an argument, and can simply state as quickly as possible what his motion is.

Mr. Rondeau: Mr. Speaker, I move:

That this House do issue an order giving the committee on broadcasting, films and assistance to the arts an opportunity to study the policy and administration of the National Film Board, which produced the film "Duplessis et après . . .", a revolutionary film which ridicules the religious institutions of Quebec, the Liberal party, the Union nationale, the Social Credit party, and—

Mr. Speaker: Order, please. Is there unanimous consent?

Some hon. Members: No.

Mr. Speaker: The motion cannot be put.

* * *

[*English*]

FINANCE

POSSIBLE FORGIVENESS OF OVERPAYMENTS TO FARMERS UNDER LIFT PROGRAM—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Bill Knight (Assiniboia): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. It concerns a revelation in the latest report of the Auditor General that a large automobile manufacturer received forgiveness of a debt to the treasury amounting to $6 million.

I therefore move, seconded by my hon. friend from Regina East:

That the government give serious consideration to forgiving under Section 17 of the Financial Administration Act, overpayments made to 4,000 western grain producers, to a total amount of $540,000, under Operation Lift.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: No.

Mr. Speaker: There is not. The motion cannot be put.

* * *

• (1440)

ADMINISTRATIVE REVIEW BOARD

MEASURE TO ESTABLISH BODY TO REVIEW GRIEVANCES OF PUBLIC SERVANTS

Mr. Mark Rose (Fraser Valley West) moved for leave to introduce Bill C-226, to establish an administrative review board.

Some hon. Members: Explain.

Mr. Rose: Briefly, Mr. Speaker, the purpose of this bill is to correct the present situation under which the grievance of a public servant against a departmental superior usually filters down to the individual who made the original decision. This bill envisions a distinct and separate appellate body with powers similar to those granted in the case of war disability pensions to the Pension Review Board.

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

* * *

HARBOUR COMMISSIONS ACT

AMENDMENT TO PROVIDE WIDER REPRESENTATION ON COMMISSION

Mr. Mark Rose (Fraser Valley West) moved for leave to introduce Bill C-227, to amend the Harbour Commissions Act (commission membership).

Some hon. Members: Explain.

Mr. Rose: Mr. Speaker, the purpose of this act is to eliminate the possibility of having the membership restricted to purely local business interests and to provide for members on the Fraser River Harbours Commission who will be representatives of the various interest groups using the river, to wit, fishing, labour, recreational, logging and shipping interests.

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

ORAL QUESTION PERIOD

LABOUR RELATIONS

QUEBEC—LONGSHOREMEN'S STRIKE—POSSIBLE NON-COMPLIANCE OF UNION WITH ARBITRATION AWARD—GOVERNMENT POSITION—CONTINGENCY PLANS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Labour what his position is at the present time regarding the dispute in the St. Lawrence ports. Is it the position of the minister that he is simply hoping that the award made by the arbiter, Judge Gold, will be complied with?

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, the arbitration hearings have been concluded. Judge Alan B. Gold is in the course of preparing his report, and I think all hon. members would agree that it would be improper for me to comment while this process is reaching its final stages.

Mr. Stanfield: A supplementary question, Mr. Speaker. In view of the reported intention of the union not to comply with the award, has the minister met with the union officials and discussed with them whether their attitude is correctly reported?

Mr. O'Connell: Mr. Speaker, I expect that the parties to this dispute will come to their senses following the publication of the award and that they will comply with it.

Mr. Stanfield: A further supplementary question, Mr. Speaker. In view of the minister's statement of hope, but

his failure to be able to give me a more positive answer to the question I have just asked him, has the minister any contingency plan—I ask him this question today since he is not due to be in the House tomorrow—in the event that the arbiter's award is not complied with and the reported intention of the union, which apparently the minister has not checked, turns out to be correct?

Mr. O'Connell: Mr. Speaker, the government has under consideration all of the options available to it in light of the award of the arbitrator.

QUEBEC—LONGSHOREMEN'S STRIKE—EFFECT ON MOVEMENT OF GRAIN—CONTINGENCY PLANS

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, may I direct a question to the minister in charge of the Canadian Wheat Board which arose from a question I put to him last week. Has the minister or the Wheat Board been able to devise methods for moving grain to offset the export losses that have resulted from the closure of these ports?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, as I indicated to the House at the last opportunity, the remaining ports are operating to the maximum of their capacity in attempting to move the grain. There is, of course, a resultant delay for some of the ships coming in to collect grain.

Mr. Gleave: A further supplementary question, Mr. Speaker. Can the minister assure the House that he has further contingency plans underway if this tie-up at these ports is not immediately settled?

Mr. Speaker: Order, please. The hon. member is repeating a question which was asked previously.

[*Translation*]

QUEBEC—LONGSHOREMEN'S STRIKE—ALLEGED ACCUSATION BY REPRESENTATIVE OF MONTREAL AUTHORITIES AGAINST FEDERAL GOVERNMENT—POSITION OF PRIME MINISTER

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I wish to direct a supplementary to the Prime Minister.

A representative of the municipal authorities of Montreal yesterday charged the federal government with failing to intervene in the longshoremen conflict for political reasons. That is a statement which, in my opinion, is absolutely indecent. Did the Prime Minister answer that wanton charge from a representative of the Montreal municipal authorities?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I regret not having been aware of the statement. I did not know that it had been made, but I thank the hon. member for having pointed it to me. I will examine it and answer it if necessary.

[Mr. Stanfield.]

QUEBEC—LONGSHOREMEN'S STRIKE—REQUEST FOR STATEMENT BEFORE ADJOURNMENT OF HOUSE

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I should like to put a supplementary question to the Prime Minister in connection with that conflict.

As a result of the serious situation and the considerable damages in Quebec, especially in the port of Montreal, I would like to ask him if he intends to let the House adjourn before the settlement of that conflict?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there is an adjournment motion on the order paper which will be called tomorrow, if necessary.

Mr. Valade: I should like to ask a supplementary question, Mr. Speaker.

I would like to ask the Minister of Labour if, as a result of that serious situation, he intends to make a statement before the adjournment of the House so that the people, the press and Parliament be informed of the exact situation and the steps the government intends to take to settle that conflict.

[*English*]

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, I will give consideration to the suggestion, but I have no intention of taking such action at the present time. We are awaiting the award of the arbitrator.

* * *

EXTERNAL AFFAIRS

IMPENDING NUCLEAR TEST BY FRANCE—POSSIBLE EXPLOSION OF DEVICE—FURTHER TESTS

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Would he inform the House whether France has exploded a nuclear device in the South Pacific, contrary to the requests of nations of the world such as Canada and the countries of South America, and has the minister or the government any official or other information with regard to France's intentions respecting further nuclear tests in the area?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the French government has refused so far to confirm that any of the tests have been made, but we have every reason to believe that at least one has been made. We do not have any means of detecting explosions in the atmosphere, but we have been told that an explosion has already occurred, so we are assuming that is so. We have every reason to believe that, notwithstanding the very vigorous protests that have been made by us and other countries, even by this House of Commons, the French government intends to proceed with the rest of the tests.

Mr. Lewis: A supplementary question, Mr. Speaker. Would the minister be good enough to inform the House of the source of the information that at least one test has

taken place? Would he also inform the House whether any further protest to France is being organized by Canada or any other nation that takes the initiative for that purpose?

• (1450)

Mr. Sharp: Mr. Speaker, the information we have has come to us in various ways. None of it is contradictory, so we just assume it is true. It has not been denied by the French government, nor has it been confirmed. Our protests have been made to the French government, as have the protests of other countries, and, like the Prime Minister of New Zealand, I find myself having to conclude that the French government, notwithstanding what we consider to be action contrary to the welfare of mankind, puts its tests ahead of that consideration.

IMPENDING NUCLEAR TEST BY FRANCE—POSITION OF "GREENPEACE III"—POSSIBLE INTERCEPTION BY FRENCH NAVY

Mr. Lewis: May I now ask the minister whether his department has kept in touch with the plight of the *Greenpeace III,* the ship which was supposed to be in the area where the tests were to take place? Are the reports that the French government has chased this ship out of that area correct, and are we in any way in touch now with the rather courageous people on the *Greenpeace* who are trying to make the protest against nuclear tests dramatic, in view of the danger to lives—

Mr. Speaker: Order, please. I am sure the hon. member will appreciate that this is not a question. The minister may reply to that part of the hon. member's intervention which was a question.

Mr. Sharp: Yes, Mr. Speaker. On several occasions, long before the government received any request to do so, we communicated with the French government to make it aware of the presence of some Canadians on a ship—not a Canadian ship—in the Pacific. The French government has informed us that the ship left these waters voluntarily and there was no intervention whatsoever by French authorities. This is the information we have from the French government, and since I cannot be in touch with the *Greenpeace* I cannot confirm it.

* * *

[*Translation*]

AGRICULTURE

FOWL SLAUGHTER PROGRAM—REQUEST TO EXTEND DEADLINE FOR GRANTS

Mr. Henry Latulippe (Compton): Mr. Speaker, I should like to put a question to the Minister of Agriculture.

Could he tell us whether he intends to intervene to grant a delay concerning the legislation on fowl slaughter since a great many farmers could not take advantage of the legislation because the one million figure provided for in the legislation has been reached?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): No, Mr. Speaker. In the press release I gave out upon the initiation

of the flock reduction program, the numbers were indicated. It was stated that when we had reached about one million birds in total—more than the normal number of 250,000 per week—the program would be terminated.

[*Translation*]

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

According to farmers, a considerable number of chickens ought to be slaughtered to restore a balance.

What is the minister's decision regarding this? Are there any other considerations on which farmers could count?

[*English*]

Mr. Olson: There may be some disequilibrium between individual producers in the provinces, but we have no control over any equity allotment or any authority to make such quotas. What we do know is the numbers involved in the flock reduction program for various provinces necessary to get the right balance was reasonably satisfactory.

* * *

NATIONAL PARKS

INCREASE IN FEES FOR TRAILERS—SUGGESTED POSTPONEMENT

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development in his capacity as minister in charge of parks. Knowing that he is interested in obtaining as much tourist traffic as possible, I would ask him whether he has received complaints from various United States tourists and others across Canada about the increase in the daily charge in National Parks for trailers and automobile homes from $2.50 to $4. I point out these people came to Canada or have been visiting the parks on the basis of information provided in booklets from his department stating that the cost would be $2.50 per day?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have not received any such representations from tourists. Of course, it is always unfortunate to have to increase prices, but this $2.50 charge had been in force for many years; in view of the services we render to the public, we thought we were justified in increasing the cost at this time, but I do not think that the new price will be likely to scare visitors away. In my view, they realize this is still most reasonable for the services available to them in national parks.

[*English*]

Mr. Diefenbaker: Mr. Speaker, the minister is changing the rules in the middle of the game. I have had four or five communications in this connection containing strong condemnation by United States tourists of what has been done. They are not complaining about the amount involved, but about the fact that they came to Canada on the basis of information that the charge would be $2.50. I would ask him whether he is prepared—

Mr. Speaker: Order, please.

Mr. Diefenbaker: —to postpone the coming into effect—

Mr. Speaker: Order, please. May we have order, please. Perhaps the right hon. gentleman would resume his seat.

Mr. Diefenbaker: I am in such an agreeable mood today I would not ask an embarassing question.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: In light of the fact this change was made after the season was underway, I would ask the minister whether he will give consideration to postponing the coming into effect of this change until the end of the present season in order to encourage tourist traffic?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I am always glad to listen to the suggestions of the right hon. member. I shall take this one under consideration, but I do not know whether I shall be able to follow through with it.

[*English*]

ALLEGED DETERIORATION OF SERVICES IN CAMPGROUNDS

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, in view of the information given by the right hon. member for Prince Albert about the fee increase for tenting and campground space in our national parks, would the minister advise the House why it is we are receiving so many complaints about the accumulation of garbage and the deterioration of services in some of these tenting grounds?

Mr. Speaker: Order, please.

Mr. Lambert (Edmonton West): Mr. Speaker, that is the fact.

* * *

AGRICULTURE

ALLEGED IMPORTATION OF FRUITS AND VEGETABLES EXPOSED TO DDT—GOVERNMENT ACTION

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Are investigations being carried out by his department to substantiate charges that there is unrestricted importation of fruits and vegetables into Canada, for example peppers, which have been exposed during growth to DDT spray? Will the minister state whether the government intends to either curb such importations or allow our growers to use the same chemicals instead of the other more costly substitutes required by Canadian law?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I will look into this to see whether this is, in fact, happening, but I would like to remind the House that the tolerance of the residue of these chemicals on the plants is nil, so we would not find any residue whatever or the product would be rejected.

Mr. Horner: Why don't you legalize it in Canada?

[Mr. Speaker.]

ROYAL CANADIAN MOUNTED POLICE

ALLEGATION BY FORMER CORPORAL RAMSAY—POSSIBILITY OF INDEPENDENT INQUIRY

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I should like someone to allay my suspicions as to whether or not a member of this House can read. I should like to ask the Solicitor General whether he has yet read the article by Corporal Ramsay in the July issue of *Macleans* magazine which contains serious charges and statements about the RCMP, and has he instituted any inquiries into the subject matter of that article? If he has done so, is the inquiry being carried out by an independent group or by members of the force?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, I was informed that the publication involved withheld details which could have led to slander action. On the other hand, the individual who gave information to that magazine has a standing invitation to meet me. As I have said my door is open to both the publishers of the magazine and this individual so that I may be informed of specific cases. I shall certainly look into them to ascertain if an investigation is required. Anybody could then blame any government organization, which would compel the government to investigate each case.

[*English*]

ALLEGED PUBLICATION OF PORTION OF CONSULTANTS REPORT BY COMMISSIONER—CONSULTATION WITH MINISTER

Mr. Benjamin: Mr. Speaker, in light of the fact the minister stated in the House that the report on the RCMP published in 1968 by a group of business consultants cannot be made public because it is an internal document, and in view of the fact the Commissioner of the RCMP took the liberty of quoting portions of this report on the radio and in a telex message, I should like to ask whether the Commissioner obtained the permission of the minister to make public those parts of this report? If so, did he do so before or after he made them public?

[*Translation*]

Mr. Goyer: Mr. Speaker, if within that organization there are documents aimed at improving its administration, that means we are working at such an improvement. It is quite evident.

• (1500)

[*English*]

Mr. Speaker: I will recognize the hon. member, but the House will have noted that we are not moving very quickly this afternoon. If we have 3, 4 or 5 supplementaries to each question, we will not be successful in recognizing too many members during the question period. I would advise hon. members, therefore, to try to limit their supplementaries for the benefit of their colleagues.

METHOD FOLLOWED IN PREPARATION OF CONSULTANTS REPORT

Mr. Benjamin: Mr. Speaker, in view of the fact that the minister said he cannot make that report public, will he advise the House who were the authors of the report, whether it is correct that in compiling the report they never left the city of Ottawa and whether or not they failed to interview any members of the force of lower rank or their wives or members of the Indian and Metis people.

Mr. Speaker: Perhaps the minister might reply briefly to this question, but the hon. member has asked a series of questions. I doubt whether that is in order. The minister may be recognized for the purpose of replying briefly.

[*Translation*]

Mr. Goyer: Mr. Speaker, I certainly refuse to accept all the hon. member's allegations, but I shall take his request into serious consideration.

* * *

[*English*]

HEALTH AND WELFARE

REQUEST FOR STATEMENT ON PROGRAM "NEW HORIZONS FOR THE AGED"—POSSIBLE COMMUNICATION OF DETAILS BY MEMBERS TO SENIOR CITIZENS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of the minister's announcement of the senior citizens New Horizons Program, would he advise the House whether he will make a statement on motions before the recess to advise Canadians what this program will entail.

Hon. John C. Munro (Minister of National Health and Welfare): I doubt that I will be able to make a further announcement before the recess. The government has under consideration now the criteria that will be applicable in respect of the New Horizons Program and I doubt whether we will complete our consideration by then.

Mr. Marshall: Mr. Speaker, in view of the fact that the long summer recess would give all Members of Parliament an opportunity to overcome the failure to communicate with people, would the minister reconsider and make a statement on motions tomorrow advising what the criteria will be so that members will be able to relay that message to the senior citizens of the country.

Mr. Munro: As I indicated I realize the communications aspect is important. Once we arrive at the decision we will endeavour to get that information to them as quickly as possible. We are endeavouring to discuss the criteria with the various provinces and have not completed that phase.

POSSIBILITY OF NEW PROPOSALS TO PROVINCES ON HEALTH COSTS—REQUEST FOR STATEMENT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of National Health and Welfare. In light of the indication given in Quebec yesterday by the Minister of Finance that new proposals would be made to the province on the matter of health, I should like to ask the minister whether he will be making a statement on this subject before the House rises or whether this is something the Minister of Finance has taken into his own hands?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I believe the Minister of Finance was down there with certain of his own officers and officials to discuss the health-cost formula. I believe he received various suggestions from the province of Quebec which he indicated he would consider in respect of further changes with a view to getting an agreement. However, that would take some time and I do not anticipate making a further announcement.

"NEW HORIZONS FOR THE AGED"—CONSULTATIONS WITH SENIOR CITIZENS GROUPS ON IMPLEMENTATION OF PROGRAM

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, I have a question for the Minister of National Health and Welfare which is supplementary to those addressed to him a few moments ago about the proposed New Horizons Program. I should like to ask the minister whether in the carrying out of this program or in the putting of it together, the senior citizens themselves and probably their organizations will be consulted and advised.

Hon. John C. Munro (Minister of National Health and Welfare): Yes, they will. We have had some consultation with one or two of the national senior citizens organizations. It would be our hope to have further consultation with them. We hope the criteria will be flexible enough that it can always be changed to take into account their views.

* * *

FINANCE

RISE IN PRIME LENDING RATE IN UNITED STATES—SUGGESTED ACTION BY MINISTER TO ENSURE CHARTERED BANKS DO NOT RAISE INTEREST RATES

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Finance who was due to be in the House today but in his absence I will direct it to the acting minister. Have the Minister of Finance or any official of his department been in touch with the chartered banks to make sure they do not take advantage of the rising prime lending rates in the United States to increase the prime lending rate in this country?

Hon. P. M. Mahoney (Minister of State): Mr. Speaker, as the hon. member knows the Minister of Finance was in very close touch with the Canadian chartered banks as recently as a couple of weeks ago, as a result of which short-term interest rates were lowered. I am sure he is in constant touch with them.

Mr. Hees: Mr. Speaker, due to that non-answer I will put a supplementary question. Is it the intention of the Canadian government to do everything in its power to

stop a rise in the prime lending rate at this time, since a rise in the prime lending rate causes interest rates to go up which could and would adversely affect industrial expansion and employment at this time.

Mr. Mahoney: Mr. Speaker, the government, of course, is concerned about interest rates, among other things, in the economic operation and we watch this situation very carefully.

Mr. Hees: Then, why in the world do you not do something about it?

* * *

WELFARE

DISCONTINUANCE OF GRANT TO PRINCE EDWARD ISLAND TENANTS UNION—REQUEST FOR STATEMENT

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare concerning a subject which has the heather ablaze in Prince Edward Island. It concerns the discontinuance of the grant from his department to the Prince Edward Island Tenants Union. Can the minister advise why such a step was taken, and whether the Prince Edward Island government made any representation regarding this highly criticized move which has added to unemployment in our area.

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I would advise that the decision was taken by myself as a result of evidence which came before me. I felt that the activities of the organization in question were outside the terms of the grant.

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ADMINISTRATION OF JUSTICE

CANCELLATION OF TEMPORARY RELEASE PROGRAM FOR DANGEROUS SEX OFFENDERS—APPLICATION TO OTHER CATEGORIES

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Solicitor General whether, in light of the fact that a charge has been laid—and I do not want to get into that matter—his cancellation of the program of temporary release of prisoners applies only to those who are dangerous sex offenders and who have been declared so, or does it apply to everyone in the penitentiary at this time? To whom does it apply?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, I clearly indicated that the application of the program has been discontinued with regard to dangerous sex maniacs.

[*English*]

Mr. Woolliams: In light of the fact that a fellow has just been charged, one of the ones whom the minister or his department has released, Swearngen, the man who shot two people, then disarmed two other policemen, was finally arrested and now given an additional eight years, will he not apply the same criteria to those people who are given life sentences as a result of violent crimes or who have been convicted of murder, or is he going to do the same as he did in the other cases?

Mr. Speaker: Order, please.

[*Translation*]

Mr. Goyer: Mr. Speaker, I am in full sympathy with the victims of criminals, whoever and wherever they may be but nevertheless I believe the hon. member's reasoning might lead to total discontinuing of the temporary leave program. Is that what he wants?

[*English*]

TEMPORARY RELEASE PROGRAM—RETURN OF JURISDICTION TO PAROLE BOARD

Mr. Woolliams: May I ask a further supplementary—

Mr. Speaker: Order, please. The hon. member may ask a supplementary, but I do not think there should be a debate. The questions and the minister's answers are taking the form of a debate between the two hon. gentlemen.

Mr. Woolliams: Mr. Speaker, in light of the mistakes which are now evident in respect of the program—the minister has admitted them himself—would he now return the jurisdiction to the Parole Board where it belongs or set up regional boards if he intends to continue with his program on an ad hoc basis and leave society unprotected.

[*Translation*]

Mr. Goyer: Mr. Speaker, I see that the hon. member shares my views. I have said again and again during the past few months that there should be a thorough review of the Parole Board and of the liberation of inmates in general. That is why I have set up a task force chaired by Judge Hugessen; a Senate committee is now dealing with this matter and will probably report on it in the fall.

[*English*]

Mr. Speaker: Order, please. I suggest to the hon. member that we are running short of time. Perhaps we should try to limit supplementaries, and if there is time return to the hon. member.

* * *

• (1510)

HOUSING

REQUEST FOR TABLING OF DENNIS REPORT ON LOW INCOME HOUSING

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I have a question for the Minister of State for Urban Affairs whose name was on the roster for today. I do not see either him or his parliamentary secretary in the House, so I shall address my question to the acting minister or to the Prime Minister. In view of the fact that printed copies of the report by Professor Michael Dennis on low income housing will be delivered today or tomorrow, and in view

of the immense importance of the subject to many Canadians, will the minister undertake to table a copy of this report in the House before adjournment?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, I will take notice of the question and draw it to the attention of the responsible minister.

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NATIONAL HARBOURS BOARD

SUGGESTED TABLING OF PROPER ANNUAL REPORT

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the right hon. Prime Minister. In the light of the extraordinary situation disclosed by the hon. member for Wellington the other day that the National Harbours Board is unable or unwilling to give to the Minister of Transport a properly audited statement to table in the House, will the Prime Minister instruct the National Harbours Board or use his best influence to persuade them to give to the minister such a statement in order that the National Harbours Board may purge its contempt of Parliament and Parliament may know what are the conditions of the financial affairs of the National Harbours Board?

Right Hon. P. E. Trudeau (Prime Minister): I should like to take notice of the question, Mr. Speaker.

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GRAIN

GRAINS ADMINISTRATION COMMITTEE—REQUEST FOR STATEMENT NAMING MEMBERS AND OUTLINING DUTIES

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a question for the Minister of Justice who is responsible for the Canadian Wheat Board. In view of the recent statement made by the minister relative to the Canada Grains Council, the Grains Group, and the creation of a new broadly based Grains Administration Committee, would the minister take the first opportunity on motions to explain to the House what the exact duties of this new committee will be, who the members of the committee will be, and why there is such a proliferation of councils, groups and committees dealing with the same problems?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I thought that the announcement about the activities of the committee of the Canada Grains Council was clear, but if not, I will be glad to discuss it with the hon. member.

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TRADE

ANTI-DUMPING TRIBUNAL—SUGGESTED NAMING OF CHAIRMAN

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed either to the Prime Minister or to the Minister of Industry, Trade and Commerce. In view of the fact that there are hearings before the Anti-Dumping Tribunal and that some sort of a cloud still hangs over certain decisions of that board, would the right hon. gentleman or the minister advise the House when it is intended to appoint a new chairman of the board so that the board will be regularly constituted for its investigatory work as well as any particular hearings that may be held over the next few months?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Minister of Finance, under whose jurisdiction this is, has discussed this with me. I know he has been actively discussing the recruitment of certain persons for that important post.

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ENERGY

PROPOSED MACKENZIE VALLEY GAS PIPELINE—INQUIRY AS TO DECISION TO AUTHORIZE CONSTRUCTION

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I should like to direct a question to the Minister of Indian Affairs and Northern Development. Has the government firmly decided to authorize the building of the Mackenzie Valley pipeline at this time if an application is made?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we have always taken the position that we would study any application, whoever submitted it. Apparently, an application for the construction of a gas pipeline might be submitted, and we shall consider it at the end of the year.

* * *

[*English*]

SPORTS

POSSIBLE INCREASE IN ATHLETIC SCHOLARSHIPS—GOVERNMENT POSITION

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, my question is for the Minister of National Health and Welfare. Has the minister decided to increase his athletic scholarship program or physical fitness scholarships, so that the many hundreds of deserving young men and women who have been turned down recently will be able to have some opportunity in this regard?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, at present there is no intention to increase the allocation. As the hon. member knows, it is approximately $1 million now and we have been able to recognize many fine athletes in the country with that $1 million. However, there is no intention at present to increase this any further.

Inquiries of the Ministry

TRADE

EXPORT OF CARS BY CHRYSLER UNDER DISC PROGRAM—GOVERNMENT ACTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. Can he inform the House as to whether or not the General Motors Corporations and the Chrysler Corporation in the United States have begun to export cars to Canada under DISC?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I do not know about General Motors, but I am informed that Chrysler has begun to do that.

Mr. Broadbent: Can the minister inform the House as to whether or not the government intends to take any steps to prohibit this violation of the auto pact. Chrysler is the second corporation, joining Ford, and we may certainly anticipate that General Motors will undertake similar action. Does the government have any plans that it intends to implement in the summer months to stop this clear violation of the pact?

Mr. Pepin: I have answered a similar question a number of times, Mr. Speaker. The best we can do is to say that we are keeping our options open.

Mr. Speaker: The Chair will recognize the hon. member for one last supplementary question. There is not much more than five minutes before the end of the question period, and I think that we should give an opportunity to other hon. members to ask their questions. I might mention in passing that I notice some hon. members who have asked questions or supplementary questions are rising again. Since they have already been recognized during the question period, they might as well take a rest for the remainder of the question period.

INQUIRY AS TO RESUMPTION OF NEGOTIATIONS WITH UNITED STATES

Mr. Broadbent: Mr. Speaker, I have a final supplementary question for the minister. Is he in a position to inform the House now, or would he do so tomorrow, on the current state of trade discussions that have been going on for many months now with the United States to inform us if some agreement has been reached, more specifically, some agreement on Canada-U.S. trade.

Mr. Pepin: Mr. Speaker, no formal discussions have taken place recently and this is mostly due to the fact that both countries' negotiating teams have been busy with bilateral and multilateral negotiations round the world such as, for example, the United States and China and the Soviet Union. But with Secretary Shultz' appointment now confirmed, and with the so-called holiday season approaching, there are good chances that these negotiations will be resumed on bilateral issues as well as on broader issues. In the meantime—

Mr. Speaker: Can we have order, please.

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PUBLIC BUILDINGS

ALLEGED INSTALLATION OF TILE IN NO. 2 TEMPORARY BUILDING SLATED FOR DEMOLITION

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, my question is for the Minister of Public Works. In view of the fact that No. 2 temporary building on Wellington Street is to be demolished within the next few months, can the minister say why expensive tiling is now being laid down there?

Mr. Speaker: Order, please.

* * *

[*Translation*]

COMMUNICATIONS

REGULATION OF TELECOMMUNICATIONS BY QUEBEC—POSITION OF GOVERNMENT

Mr. René Matte (Champlain): Mr. Speaker, I wish to direct a question to the Minister of Communications.

Have the minister and his officials studied or agreed to the regulation of telecommunications by Quebec and the rate schedules set out in bill 35 where cablevision is defined as a public service, falling under the jurisdiction of a public service agency of the Quebec government?

[*English*]

Hon. Robert Stanbury (Minister of Communications): Mr. Speaker, I think the bill to which the hon. member refers applies to action within the jurisdiction of the province of Quebec. I do not think the federal government would take exception to any action which is within the jurisdiction of the province of Quebec.

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FISHERIES

SWORDFISH—POSSIBLE LIFTING OF IMPORT RESTRICTIONS BY UNITED STATES—GOVERNMENT ACTION

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of the Environment and Fisheries. In view of the decline by 51 million pounds in the quantity and more than $6 million in the value of fish landings for May as announced by the fisheries service of his department, will the minister inform the House whether he is still carrying on discussions with American authorities concerning the possibility of re-establishing the sword fishing industry in Atlantic Canada, and if so, is there any indication that import restrictions imposed by the United States authorities on Canadian swordfish imports may soon be lifted?

• (1520)

Hon. Jack Davis (Minister of the Environment and Fisheries): Mr. Speaker, I do not think there is any likelihood that the United States will relent and change its stipulation that swordfish containing more than half a part per million of mercury will not be allowed into the United States. However, we will continue to make representations.

* * *

ENERGY

GUIDELINES FOR CONSTRUCTION OF OIL AND GAS PIPELINES—GOVERNMENT POSITION ON SCREENING APPLICATIONS AND SUPERVISING CONSTRUCTION—POSSIBLE CONSULTATION WITH PRIVATE INDUSTRY

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I wish to direct a question to the Minister of Indian Affairs and Northern Development. With regard to the guidelines released yesterday on pipeline construction for Arctic oil and gas, on which he gave an extensive interview last night, has the government decided which agency will screen applications and supervise construction under these guidelines?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, under the provisions of the act, the management of the lands in the Northwest Territories and the Yukon falls within the jurisdiction of my department. The department's officials will control the progress of the work and this, in the light of advice from experts of the Department of the Environment.

[*English*]

Mr. Aiken: In view of the fact that most of the intensive research up to this time has been done by private industry and not by government sources, will the minister indicate whether the government will consult private industry, or what expertise his department expects to have?

[*Translation*]

Mr. Chrétien: Mr. Speaker, my department and the Department of the Environment have spent more than $15 million in the last three years to have some research done and the companies that make an application will have to prove that the construction of the pipeline will not cause any damage. If they cannot prove it, they will not be allowed to build it.

* * *

[*English*]

HEALTH

VENEREAL DISEASE—POSSIBLE EVALUATION OF NEW VACCINE

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. In view of the great concern over the increase in venereal disease is any research or clinical investigation being undertaken by Canadian researchers in order to evaluate the results of the use of the new vaccine?

Hon. John C. Munro (Minister of National Health and Welfare): Yes, Mr. Speaker, I believe there is, but I am not aware of the precise details and will have to get them for the hon. member.

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CRIMINAL CODE

AMENDMENT RESPECTING OFF-TRACK BETTING—POSITION OF ONTARIO GOVERNMENT

Mr. John Gilbert (Broadview): Mr. Speaker, I wish to direct a question to the Minister of Justice. Did he have the approval of the provinces, particularly the province of Ontario, for the amendments to the Criminal Code with respect to off-track betting, which are in the bill that he introduced yesterday?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, we had consultations with the provinces on the subject matter of introducing changes in the law which would allow, with provincial licensing, the extension of betting to off-track establishments. This was approved, generally speaking, by the provinces, although there were some reservations. In the case of Ontario, there was approval.

* * *

INDIAN AFFAIRS

COMPLAINT AGAINST STATEMENT BY JUDGE THAT USE OF ALCOHOL CAUSE OF PROBLEMS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I wish to direct a question to the Minister of Justice. Last Friday I asked a question regarding gratuitous remarks by a British Columbia Supreme Court Justice. Has the minister had an opportunity to read the complaint lodged by the British Columbia Association of Non-Status Indians and does he believe, as a result of that complaint, that any action is warranted?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, while I have not had an opportunity to read the transcript myself and therefore form any personal opinion, the letter that came to us from the association has been referred to the Judicial Council.

Mr. Speaker: Orders of the day.

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BUSINESS OF THE HOUSE

OUTLINE OF BUSINESS FOR BALANCE OF SESSION

Mr. Baldwin: Mr. Speaker, I would like to ask the government House leader, having in mind that the cabinet apparently laboured until almost two o'clock, what is the size and description of the legislative list which was produced for today and tomorrow?

Family Income Security Plan

Mr. MacEachen: Mr. Speaker, I would not admit that it required much labour to decide what is on the menu for the rest of the session. We will continue with FISP, the Family Income Security Plan, and hopefully when that is disposed of we might consider disposing of the report stage and third reading of the Pension Act, which will not take very much time. Hopefully, the third reading of the Farm Credit Corporation amending bill might also fall into that category of brief passage through the House, followed by the Canada Labour Code and the takeover bill. I still have waiting in the wings the Representation Commissioner Act and the CNR financing measure. If my hon. friend wants more, I will call another cabinet meeting.

Mr. Baldwin: In light of the fact that the Prime Minister expressed some doubt as to whether the motion in his name on the order paper might be put tomorrow, can the government House leader take us into his confidence as to what doubt the Prime Minister might have and, if he gives way to these doubts, what we might be doing next week?

Mr. MacEachen: Mr. Speaker, there are no doubts whatsoever in the Prime Minister's mind about this motion tomorrow.

Mr. Alkenbrack: Mr. Speaker, I rise on a brief point of order. Earlier I attempted to ask a question pertaining to revenue, which I think is important, before the termination of this week's proceedings, and I wonder if I might get permission to ask it.

Mr. Speaker: The hon. member might ask the question tomorrow. The hon. member will appreciate that there are other hon. members, in particular the hon. member for Moncton, who have questions to ask. I have tried to see them all, and perhaps once more I might mention that the members in the third, fourth and fifth rows again today were not given a fair chance to ask their questions.

GOVERNMENT ORDERS

FAMILY INCOME SECURITY PLAN

MEASURES TO PROVIDE BENEFITS IN RESPECT OF CHILDREN

The House resumed consideration of the motion of Mr. Munro for the third reading of Bill C-170, to provide for the payment of benefits in respect of children.

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, before lunch I was stating the family's basic principles and prerequisites. I was saying that the human being is the most important aspect in society, as a divine creature, with aspirations and spiritual and material requirements, and that it has inalienable rights which must be respected and safeguarded.

I was saying as well that the most important duty of a democratic government within society is to give the people the type of public administration they want, provided it is physically feasible and normally acceptable.

As regards family allowances, we are aware that it is physically possible to provide all Canadian families with family allowances geared to the increase in the cost of living. That is where our views differ from those of the hon. minister; we belong to those who have been asking for a long time for the increase in family allowances, not only for a designated group of families, but for all regardless of race, colour or language. They are human beings who deserve the highest possible consideration from their leaders.

We regret those complex aspects which were brought into Bill C-170. The decreasing rate is unacceptable because it is the money of the community, which must be spent by the community and not only by a group. The children from families whose annual income is below $4,500 are certainly entitled to adequate allowances properly tailored to the cost of living because an annual income of $4,500 is not sufficient.

Even an income between $4,500 and $8,000 is still too low. Families adjust their expenditures to their revenues. The higher their income, the more they spend; and the more they spend, the stronger the economy. In order to solve the problem of poverty, do we have to strip the poor man to help his poorer fellow?

This bill does not leave any room for the fight against poverty. Family allowances were designed to help Canadian families raise their children, the most important resource in our country. This objective becomes fuzzy the moment family allowances are made selective; everyone knows it would be impossible to pay family allowances large enough to compensate for all the expenses needed to raise children. The hon. minister stated in one of his speeches that more than a million Canadian families would not benefit at all from the legislation.

Is there any member here or any Canadian who believes that there are more than a million wealthy families in this country? Does the minister really believe it is fair not to give anything to the children of more than a million Canadian families? Does he really believe there are more than a million families in Canada which do not need any assistance to bring up their children?

Mr. Speaker, this shows the injustice generated by the bill now before us. We would have much to add about this but we say to the minister that he is making a big mistake and creating the greatest social injustice a country has ever known in having this House pass a legislation like the one before us now.

Every family in this country must benefit from this legislation. Whatever their income, all our families need family allowances.

An hon. Member: That is not true.

Mr. Latulippe: Somebody says it is not true. The Department of Revenue can get the surplus out of those who do not need them because it is empowered to do so under the law. But if there are shortages we must leave all necessary economic and monetary powers to the family so they may fulfill their possibilities; the community must distribute

its money among all citizens. Every child of any family in this country is entitled to family allowances.

There is no better way of distributing money in this country than giving mothers what they need for their family and for the country, for the family provides the servicemen the country will need to defend the crazy systems that exist.

• (1530)

[*English*]

Mr. J. H. Horner (Crowfoot): Mr. Speaker, first may I say that when we consider Bill C-170 we must consider the entire aspect of redistribution of wealth. Family allowances were established on the principle of universality back in 1946, I believe. Through this bill we shall in a sense redistribute money throughout the various regions of Canada and among the lower income groups of our society. This program, in seeking to implement the theory that it is the government's duty to redistribute the wealth of the people, will turn the universal family allowance concept which was first adopted in 1946 into an additional welfare program. If we accept that, we must then ask, how much will the program cost? It will cost the people of our country an additional $150 million according to the minister. Whom will it benefit? Will it reduce welfare, or perpetuate it? Will it reduce poverty, or contribute to it? I believe this program will perpetuate welfare and poverty since it will encourage people who can least afford large families to raise large families.

Young people growing up in a welfare atmosphere become accustomed to it. They are satisfied to live that way and for a great part of their lives accept welfare and the dole. It is wrong, morally, to do this in a nation as wealthy as Canada, a nation populated with energetic people. As it is, we tax our people too much; we tax our young too much and our old too much. What happens to the middle income groups? They are taxed very heavily, much more heavily, on a proportionate basis, than the wealthy. I think this policy is a mistake.

Before we redistribute wealth on a regional basis we must consider how the various regions of Canada are made up. Which regions will benefit most? How will this money be redistributed? These questions were never answered in committee or during the second reading debate. Perhaps the minister does not know how this is to be done, or is afraid to disclose to the people how our wealth will be redistributed among the regions of this country. This is an important matter, Mr. Speaker, because at the extremities of Canada there is disunity. Before adopting a system that will redistribute wealth we must at this time, for the sake of our survival as a nation, examine how the redistribution is to take place, how it will affect the really rich and the middle classes.

Actually, we have provided a bonus for the married man raising a young family. I am referring, of course, to the previous family allowance plan and to the new FISP plan as well. At present there are income tax exemptions for every child. If we look closely at the system we will see that a married couple with an income of $3,000 per year and one child benefits to the extent of $180 per year from this program. When the income increases to $4,500 the family will receive that $180 and an additional $74 by virtue of the reduction in income tax. If the family's income rises to $7,000, its extra spending power diminishes sharply. At $7,000 it obtains little or no benefit from the program. At $9,000 the reduction in income tax is $90. With an income of between $9,000 and $21,000 taxes rise drastically.

However, if you earn between $50,000 and $60,000 you receive almost as great a benefit from the tax system as the man earning $3,000. Clearly, the middle income group shoulders the load. That, I suppose, corresponds with the minister's thinking as expressed in his speech in Quebec. I hold in my hand a copy of the Montreal *Gazette* of June 21. The following is reported in this newspaper:

> Munro said it would be "foolish" to think welfare needs could be met by hitting the "super-rich" and corporations with drastic tax increases.

In other words, he has adopted the Liberal party's concept that we must save the super-rich and tax the middle classes. I wonder if the workers in Hamilton appreciate that. There are many middle income people there. The article continues:

> Furthermore, the minister argued that placing too much of a tax burden on the rich could remove the "incentive" to become rich which would leave the government "no further ahead and perhaps worse off."

The report in the Montreal *Gazette* of June 21 shows that the minister does not think we should tax heavily the super-rich. I used to think Canada was made up mostly of middle income people. The middle class is shrinking. The super-rich, as the minister calls them, and the poor who live at or below the poverty line are increasing. This bill does very little for our shrinking middle class. On the other hand, I think it will perpetuate poverty at the lower end of the income scale. Furthermore, it will permit the super-rich to avoid completely carrying their fair share of the burden in our economy.

• (1540)

Let us consider this redistribution. The committee studying this bill was never informed of any concept or forward-thinking which the department may have worked out as to how the money would be divided between the various regions of Canada. Nor has this House been so informed.

I wish to refer to some figures put forward by Mr. Reuben Baetz, executive director of the Canadian Council on Social Development, with regard to those living below what he and the Economic Council of Canada have established as the poverty level. For a married couple with two children the figure is $3,100, and for a married couple with five children the figure is a little over $5,000. That is what he has classified as the poverty level.

I now wish to refer to the areas which have the greatest number of families living below the poverty line. The figures are as follows: Quebec, 17.5 per cent; Ontario, 12.1 per cent; the prairie provinces, 24 per cent; British Columbia, 14.2 per cent; the Atlantic provinces, 29.7 per cent. There is a great deal of disparity as between the various regions with regard to families living below the poverty line. Has the minister stated that he believes redistribution of wealth as between the various regions under this program will correspond with the program

presented by Mr. Baetz in the Economic Council report of 1969? He has not. It should be clearly stated where this redistribution will take place.

Many people attacked Premier Bennett of British Columbia when he stated there should be a redistribution of wealth. I am in complete agreement with that, but it should go directly to the poor people. As I stated, the percentage of poor families in British Columbia is 14.2 per cent, a little better than Ontario and not that much better than Quebec. The prairie provinces and the Atlantic region suffer most in this respect. Will there be a more equitable distribution of wealth under the new family allowance program? I do not believe so.

I wish to refer to some figures in the report concerning unattached individuals living below the poverty line. These figures were established by the Economic Council of Canada and are as follows: the Atlantic provinces, 49.7 per cent; Quebec, 36.2 per cent; Ontario, 30 per cent; the prairie provinces, 40 per cent; British Columbia, 34.5 per cent. Here again, there is some merit to Premier Bennett's thinking. If we were to distribute our wealth among the poor, 34.5 per cent of the unattached individuals in British Columbia would benefit from such a scheme.

I shall read some more figures which are also very revealing. They are found in a report prepared by Statistics Canada with regard to the percentage of dwellings in Canada having less than one room per person. Can the minister give us the assurance that redistribution of wealth will alleviate this problem? Dwellings in Canada having less than one room per person amounted to 22 per cent. For Manitoba the figure was 25 per cent. For Alberta, that wealthy province which is often considered to be one of those which pays the shot, the figure was 25 per cent. When the Prime Minister (Mr. Trudeau) visited Alberta before the last election he said it had to pay the shot, but in fact rural Albertans are not enjoying the same high standard of living as some other regions. It is interesting to note that the Maritimes fared fairly well. The figures are: Prince Edward Island, 18 per cent; rural Nova Scotia, 18 per cent; rural New Brunswick, 25 per cent; rural Quebec, 29 per cent; rural Newfoundland, 29 per cent.

These figures indicate that all is not well in many regions which are considered wealthy and must pay the shot for many of the equalization and redistribution programs. They really do not enjoy the standard of living which they might. In fact, having studied these figures, as well as those relating to unemployment and wage levels in the various regions, I believe that people on the Prairies are prepared to, and do, work for less. This is not good because we are rewarding the less thrifty, and to some degree at least those who are not interested in working. This concept is wrong.

It is wrong to perpetuate this sort of situation. We should try through good legislation to reward the thrifty and encourage people to reach a high degree of fulfilment. A system that rewards effort and thrift will bring about a better Canada in which to live. This program is basically wrong. It will perpetuate poverty and welfare and encourage large families at the low income level where people are least able to educate their children in order that they may take their place in the highly technological society in which we live.

I am disappointed that the minister has failed to give a breakdown of who will pay the increased tax and which regions will benefit so that we may know whether this program will alleviate poverty in our country. The minister could have devised a program much more in keeping with the needs of today's society.

Some hon. Members: Hear, hear!

Hon. Paul Hellyer (Trinity): Mr. Speaker, of all the stupid, idiotic, miserable and impossible bills introduced by this government, Bill C-170 must set a new highwater mark for bureaucratic bungling. Perhaps the bill should be entitled "an act to guarantee the establishment of bureaucracy" or "an act to drive ordinary taxpayers crazy." An ordinary person would have to lie awake at night for weeks to dream up anything as complicated. Even an ordinary nightmare would be a welcome relief after reading Bill C-170. This is a horrendous bill, Mr. Speaker. It fills the heart with despair that this government will ever abandon its penchant for symptom-treating. That is the fundamental objection: Bill C-170 is symptom-treating.

If the anti-poverty campaign of the past few years had been successful, this bill would not now be necessary. In fact, as was stated earlier in this debate, there is more poverty, relatively, today than when the anti-poverty campaign began a few years ago. There are much better ways to distribute income. The one that I would like to see adopted in this country is higher minimum wages. Frankly, I do not think there is any substitute for it.

During the past few years we have distorted our economy out of all reason until today we have people working in some parts of this country for $1.25 or $1.50 an hour while in other parts people with approximately the same level of education are earning $7, $8 or $9 an hour, plus fringe benefits. It is totally impossible for the person earning minimum wages or near minimum wages today to buy the products of those who are earning the higher wages. Something has to be done about this situation. In my opinion there is no better method than bringing minimum wages for employables up from the bottom. Not only must this be done but it must be done on an accelerated basis.

• (1550)

I am aware the minister might suggest that this is a provincial matter. I agree that it is in part a provincial matter. At the same time, there is no reason the federal government cannot get together with the provinces and work out ways of increasing minimum wages on an accelerated basis. If necessary, the federal government, with its tremendous fiscal leverage, can use moral suasion to get the provinces to take action.

Minimum wages is the best method of distributing income. It is the cheapest of all methods of doing so because there is no brokerage involved; there is no one to take a nickel or a dime off for administration since the payment is made directly to recipients. In my opinion there is no substitute for what is the most efficient, most

economic method of distributing income to employables, which is through minimum wages.

It has been argued that minimum wages raise costs and, therefore, the prices of marginal goods. This is true, of course. If one small shop or one small restaurant had to pay higher minimum wages than its competitors, it would be placed at a disadvantage. But if all similar establishments had to pay higher minimum wages the competitive position would remain intact.

If no other changes took place, the cost of the goods or services provided to the public would increase. But there is a related effect. Instead of collecting extra tax dollars necessary to finance some of these income redistribution schemes, the government could reduce taxes so as to compensate for, or at any rate largely offset, the effect of increased costs due to higher minimum wages. In these circumstances the effect of higher minimum wages would be mitigated. There would be no necessity for higher prices in most cases and in other cases only marginally higher prices would be necessary, not greater than those which would be required in any case as a result of higher tax levels.

So an increase in the minimum wage would not cost more, and it would probably cost less. It would cost less because it would not be necessary to collect money from the taxpayers on the one hand, to handle it at great cost through a large number of employees engaged in administration and then to redistribute it to many of the people who had paid it in the first place. In addition, it is socially more acceptable. There is something good about people getting their incomes in their own pay packets. There is something socially desirable about a system under which payments are made directly to recipients and subject to less probing by the bureaucracy; where there is less "big brother" interference in the lives of ordinary citizens.

One of the most regrettable developments in the last two decades has been the degree of insistent interference with the petty details of people's lives. Is it any wonder people are beginning to go right up the wall? The minister could take a lesson from what is happening in Sweden, where the level of bureaucratic interference is such that not only is efficiency falling off but people who were so proud of their democratic system until recently are now having serious doubts about it. The bureaucrats of this country are driving the little people crazy. It is a matter of sensitivity, a matter of humanity. The more interference there is in the details of people's lives, the more inhumane the system becomes.

Of particular interest is the provision here for adjustments to correspond to changes in the cost of living. This is another indication that the government has no serious intention of taking action to control inflation. This afternoon the Minister of Transport (Mr. Jamieson) told us that one more adjustment to compensate for inflationary rates was being made. Another occurs in the bill before us. We are bringing in more and more legislation containing provisions for adjustment to reflect increases in the cost of living.

Is this an admission that there is nothing we can do about inflation? Does it mean we have capitulated to this most insidious of all the threats to our economy, that we have given up all hope of being able to bring costs under control, that the government has abdicated its responsibility and has no further plans to put before the Canadian people? It is evident that something has to be done. It is impossible to allow this erosion to take place at the present rate for many more years.

One must look ahead. With wage settlements following the present pattern, and on the basis of the existing rate of productivity in this country, by the end of the century milk will cost $1.65 a quart, a television set will cost $2,500 and a house that today costs $25,000 will cost $146,000. The worst aspect of these figures is that a great many ordinary, innocent people will be hurt in the process. So when we see the government once again coming forward with legislation and provisions which are nothing more than superficial symptom-treating, we begin to give up hope of any move toward more radical and positive alternatives.

I should like to recite what I think the positive alternatives should be. As far as employables are concerned, they should have access to jobs with decent wages. If the minister would do his mathematics he would find that a modest increase in the minimum wage would provide more relief for more Canadian families that are affected by the bill before us. And it would be a lot less complicated. The solution for employables, then, is jobs in such numbers that anyone who wants to work can work. There is no secrecy about how this can be done; all the orthodox economists know how to do it. It is being done in most countries of the western world—in Germany, Switzerland, and all the Nordic countries. It is being done in New Zealand and Japan. It is only in Canada, the United States, the United Kingdom and Italy that there is a high level of unemployment. And, of course, Canada has the worst record of all.

Wages for those who want to work should be high enough to enable them to look after all their basic requirements, that is to say, food, clothing, shelter and personal needs. Wages should be high enough to enable them to keep themselves and their families in reasonable dignity. This is an assurance of guaranteed annual work, which is an altogether different proposition from a guaranteed annual income, a direction in which the minister seems to be moving by the back door. I tell him that a guaranteed annual income is nothing more than institutionalized welfare. It is one of the most retrograde developments which could possibly be imagined. What it does is to establish as a matter of right those incomes that are sufficiently high as to be a disincentive to work for many people.

• (1600)

Whether the minister knows it or not, there are in Canada today tens of thousands of people who find themselves in the position where taking a job at or near minimum wages provides them with less cash disposable income than they can get from the welfare program. So guaranteed annual work, rather than guaranteed annual income, is the solution for employables.

For unemployables, of course, a guaranteed annual income is required. Once again, that guaranteed annual income for those who cannot work or are unable to work, for deserted mothers and so on, must be high enough to look after their basic necessities of life—food, clothing, shelter and personal requirements—so that they too do

not have to beg, so that they too do not have to look for aid from "big brother", so that they too do not have to look over their backs at weekends to see whether someone is watching them and seeing how they spend their time, whether they are doing a little moonlighting. In other words, we must restore a little dignity to human life by providing our unemployables with a guaranteed annual income that is sufficient for their basic needs.

We would then be able to use our tax laws to compensate people for the extra cost incurred in raising children. There is no reason why, with decent minimum wages for jobs which are available for those who want to work, our tax laws cannot be regulated in such a way that the extra income required to raise children is thus available to families with children.

One wonders, of course, whether a really progressive government that appreciates the necessity for going to zero population growth would want to encourage large families. In the event they decided that notwithstanding the consequences to the environment of this planet they wanted to encourage large families, or they just wanted to compensate people for the cost of the raising children who are already on this planet, there would be a better way to accomplish it than the proposals put forward in this bill. The government can still use the tax laws in order to provide the extra net income for a family's requirements.

In addition, as I have stated, it is necessary to protect the purchasing power of the ordinary people. We must control inflation; we cannot allow it to continue the way it is at the present time. I have stated over and over again that in my opinion there is no substitute for mandatory guidelines for wages and profits where monopoly power exists. If there is any other solution, I should like to know what it is; but to the best of my knowledge there is none.

Wages where monopoly power exists—which means where big unions exist—must be related to productivity. An increase in wages must be related to the average productivity increase in the whole economy. Then where giant companies are so big, so strong and powerful that they can regulate markets, their profits must be controlled in such a way that the benefits of the controlled wages are passed on to the consuming public. If that is done, then it is in fact possible to operate a free society in such a way that jobs are available for anyone who wants to work and, at the same time, the purchasing power of the Canadian economy is preserved and the savings of our senior citizens and others living on fixed incomes are kept intact.

I know of no other way to get to the position where prices are stable. It is possible to make our financial system work superbly and to provide jobs for all who want to work, at decent wages. It is possible to offer wages at a level high enough to look after family responsibilities. But this will require action quite different from that proposed in this House during recent weeks.

When one considers the common sense alternatives that are available, one wonders how Bill C-170 ever got through the cabinet. It is a terrible indictment of the cabinet system. Where is cabinet control of the bureaucracy? Where is cabinet control of its silly ministers? I hope the minister does not take offence at that remark, because I know his heart is in the right place even if his legislation is every bit as bad as I have painted it. Certainly after reading the bill and the remarks the minister made in Quebec City recently, I must regretfully put the minister in that category. This is one of the problems with the present government. It has a lot of ministers who for one reason or another are guilty of what could be most generously described as fuzzy or furry thinking. And apparently the other ministers are unable to control them.

[Mr. Hellyer.]

Where does the minister think that the money he needs will come from? He made a case today which I found very interesting: he said that it would not come from the middle class. I am wondering just where he thinks it will come from. He certainly is correct in saying that it will come from the middle class, because there is not enough money available from that source.

To illustrate this, recently I asked the parliamentary library to do an exercise for me to demonstrate what would happen if we taxed all incomes $20,000 and over at 100 per cent. The answer reveals that there would be about $250 million extra income, at least as I recall the figure. If this amount were distributed among the whole working force, each member of the working force would receive 1½ cents an hour. If the level were reduced to $15,000 and all income above that was taxed at 100 per cent, you would have an additional income of about $530 million. Divided amongst the whole working force this would provide an extra three cents an hour. This is not the kind of aggregate that would gladden the hearts of the average working person in this country at the present time.

As I have suggested, Mr. Speaker, there is no way we can get the money required except by increasing production. The way to increase production is to get people off welfare and back into the work force. We must get people off unemployment insurance and back into the work force. If, as suggested earlier, by the leader of the New Democratic Party, we reduced the present level of unemployment from 6 per cent to 3 per cent, reducing the number out of work in this country from about 600,000 to 300,000, roughly $5 billion a year in real terms would be produced to enable us to do all the things that are required to make this country great.

This money can, of course, be used to eliminate poverty. It can be used to bring minimum incomes up to the point where people can breathe a little easier. It can be used to eliminate slums and wipe out the terrible shacks that exist in many parts of the country. Some of this money could be used to build houses for people and families who need them. Some of it could be used to construct an urban transportation system to enable people to travel around in some comfort, and thus some dignity would be restored to urban living. Some of it could be used for the development of industries and resources in Canada—this would be Canadian capital—if only our tax laws encouraged savings, as opposed to the kind of laws passed recently by this Parliament which had the opposite, negative effect.

If the economic management of this country was worth anything, we would have available extra resources to the tune of $4 billion or $5 billion annually over and above natural growth. This could be used to eliminate poverty, slums, to build houses, to construct an urban transporta-

tion system and to develop our resources. In other words, it would enable us to do those things which Canadians want done. That is the method we should adopt. That is the direction we should take, rather than taking more income out of the present pot and passing it to people who in many cases have no incentive to get back into the work force.

The present policy is retrogressive both economically and socially. It is retrogressive economically in the sense that every person who is discouraged from participating in the work force means less productivity, and thus we are unable to do all those things which remain to be done. It is retrogressive socially because most people are happier when they are working, when they have something productive and worth while to do and feel important. They are happier if they feel they are part of the process and are needed and wanted. It is socially more desirable to have people working than having a welfare system which discourages their working. Of course this happens, and I can give the minister many individual cases if he is interested in having them.

• (1610)

We are already reaching the point of diminishing returns and to push tax rates higher would be another folly. In the last two weeks I have talked to a number of individuals who already have refused to work overtime. By the time the government takes its cut, they say it is not worth while. One would expect that this would apply to a number of people in the professions, and it does. Now it has come down to a level which I would call the average working level.

Recently I was involved in a television interview and the CBC technician behind the camera came over afterward and said he refused to work any more overtime. He was a single man and the tax rates are so high that he feels there is no point working overtime; it was not worth while. A week ago Saturday I attended a garden party in my riding at a home for senior citizens, and the chief nurse said the same thing. She said she would no longer work overtime because there was no percentage in it for her. She said she was working that day and would take time off. She would not work overtime because the taxes she had to pay to the government of Canada and to other levels of government were so high it was not worth while; she was going to take time off instead.

We have reached the point of diminishing returns, and there is no place from which the extra tax money required for these new measures can come unless we put back to work people who are presently unemployed and who in most cases would welcome a chance to go to work if wages were high enough to enable them to keep themselves. You cannot blame somebody for not going to work when he can make 20 per cent or 30 per cent more by staying home than by re-entering the work force.

One might also ask where the Liberal backbenchers were when this bill was being presented. Did they object to it in caucus? I know what some of them think by listening to them over here, ministers and backbenchers alike. They think this is a very bad bill. Most of them do not want to fight an election on it and hope it will not go through in the next two days, yet they let it through caucus and they come in and rubberstamp it. Are they as incapable of exercising independent thought as the Prime Minister (Mr. Trudeau) said they were when he was writing in "Cité Libre" some years ago? We have a chance to find out in the course of the next two days.

I suppose one might ask the official opposition if this is not an opportunity for them. Surely they do not want something as complicated as this bill to pass the House. Surely if they are serious about forming a government later this year they would not want to foreclose their opportunity by allowing this bill to pass at this time. Surely they could come up with something more ingenious than this bill. Surely they have some ideas of their own they would like to put forward after the election. If they are serious and really believe there is any possibility of forming a government, then to demonstrate that belief they should hold up this bill so it does not pass and clear the deck for action with measures of a more ingenious and fundamental character when the next Parliament is called later this year. That is what I would recommend.

I would recommend that all people who believe the time for symptom-treating has come to an end, who believe we must get back to fundamentals and start curing diseases rather than putting band-aid on top of band-aid, should vote against this bill, stop it in its tracks. Then perhaps at the next Parliament of Canada someone will come up with a fundamental measure that will enable people of this country who want to work, to work for wages high enough to keep themselves and their families in decency and at the same time make a contribution to both the economic and social welfare of this great nation.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the debate on Bill C-170 is really a debate in respect of a basic principle. I recognize that the waters have been muddied a good deal and we have got away from serious discussion of the principle that I believe should be central to this debate, but the principle is still there. It is because in our view that principle is a very important one both now and in the future that we still think the government should not press Parliament to pass this legislation at this time.

As I suggested yesterday when we were at the committee stage, I strongly believe this bill should be taken back to the drawing boards, and I still make that plea to the minister as earnestly as I can. I said there is a principle at stake in this bill. That principle, as I see it, is simply this: Are we going to treat people in Canada as people, or are we going to treat them as pawns in an economic mess? When any government provides assistance to its people, whether it is called welfare, allowances or what-have-you, because they are poor, and when any government bases its social programs on poverty it is violating the principle that people have rights because they are people.

I believe in the redistribution of wealth. I do not think it is yet within the capacity of mankind to devise an economic system which will automatically distribute the wealth we produce on the basis of equality, yet I think that a civilization which is civilized ought to aim at equality, and I favour the redistribution of wealth being done through progressive taxation and the distribution of allowances to people to enable them to enjoy an adequate standard of living. I want those allowances to go to

people, old age citizens, mothers, children and what-have-you, not because certain of those people are poor but because they are people and have the right to share in the wealth this country produces.

The Minister of National Health and Welfare (Mr. Munro) is sitting there ready to say he has heard this speech from me ten, fifty or a thousand times, but it is still true that over the years we have made some progress in this Parliament. The day came when we took away from our older people the stigma that was attached to them when pensions were given only if they declared their absolute poverty. That day came when we established old age security on a universal basis. We had enough years of experience with old age security on a universal basis to be able to compare that experience with what had gone on before. I am prepared to assert and reassert that we gave to many senior citizens in those years a dignity that we denied our older people in earlier years.

• (1620)

We gave to Louis St. Laurent when he became 70, we gave to other politicians, we gave to professionals, to working people and so-called poor people the same basic pension. We accorded a dignity to old age because we gave it to Canadians over a certain age, not because they were poor but because they were Canadians of that age. We did not ask them to declare their poverty in order to receive that pension. No matter how much the Minister of National Health and Welfare wants to chide me about making this speech times without number, and no matter how uncomfortable he feels because I assert this is one good thing a Liberal government once did, it is a fact it was a piece of legislation that was good. The thing that was good about it was that it accepted the basic principle that people should be treated by the economy of the country—and after all, it is the government which has control of it—not in terms of their wealth or poverty but in terms of their being people.

I say to you, sir, that we did the same thing in 1944 in respect of family allowances. The amount of money that was provided was very small. and I do not want to subscribe to all the things Mr. Mackenzie King said about the humble poor, the working poor, and so on, when he was putting this legislation through; but the basic principle of that legislation was good. We said we were going to provide an amount of money for the children of this country because they were the children of this country. We attached no means test to it. It was a good piece of legislation.

However, this government headed by the Prime Minister (Mr. Trudeau), a latecomer to the Liberal party who decided that the Liberals who went before him did not know what they were talking about, decided that the progress we made toward universality, toward the payment of pensions and allowances to people, not as welfare or as handouts because they were poor but as their share of the wealth that was being produced, was wrong. The cabinet ministers over there have now decided that was wrong. I submit to them that they have not thought the matter through and that they are turning back the clock of history so far as Canada is concerned.

[Mr. Knowles (Winnipeg North Centre).]

Just as it was wrong to attach a means, a needs or an income test to a portion of the old age pension, so it is wrong in principle to attach a means or a needs or income test to the family allowance. I urge as strongly as I can that the minister, who along with my leader I think has a good heart, not have it on his record that in his younger years, instead of helping to achieve progress in this country he turned the clock backward and returned to the practice of payment of allowances to children on the basis of poverty.

Mr. Haidasz: He is not prime minister yet.

Mr. Knowles (Winnipeg North Centre): I do not know what that has to do with it but I suppose the point is well taken, that it is the Prime Minister who made this decision and that the Minister of National Health and Welfare is just carrying out the decision the Prime Minister made. Now they have decided that Mackenzie King, Louis St. Laurent and Lester Pearson did not know what they were talking about when they tried to establish and reinforce the principle of universality.

I realize I am repeating myself, but to me this is terribly important. I think we are talking about the most important aspect of social policy that this Parliament ever considers. When we give money to people because they are poor and make them declare their poverty, we keep them in that poverty. One of the things I do not like about this FISP legislation, if it goes through, is that I think just as welfare has produced generations which are on welfare because the former generation was, so we will divide this country into the haves and have-nots and many of the have-nots are families with children who will receive the FISP benefit because they have met a poverty test, and those children will grow up to become the parents of families which will do the same thing. Do we not want to bring a halt to this?

In all our discussions about national unity we hear a great deal about language and race. If there is to be national unity, it must be in economic terms. We must move in the direction of economic equality among our people. We will not do this by the method of saying to people that they will receive the allowances they are entitled to, not because they are Canadians but because they declare their poverty.

This morning when the Minister of National Health and Welfare was making that interesting speech, the purpose of which is obscure, he had quite a bit to say about our charge that this legislation stigmatizes those who will receive these FISP cheques. He is quite justified in saying that quite a bit was said over here about the corner grocery store man knowing the position of certain families when he would cash the cheques, and so on. Because things like that were mentioned over here I do not blame him for trying to answer them.

However, the minister missed the main way in which this legislation will stigmatize and dehumanize people. It is very simple. We now have a family allowance program for which people qualify because they have children of certain ages; that is all there is to it. But under the new legislation the only way one can receive a benefit under FISP is by declaring his poverty. I do not want Canadians to be forced by legislation to declare their poverty, or for them to start a tradition in which their children and their

children's children will do the same thing. I want to move in the direction of economic equality. We will get there a lot faster with universal programs than we ever would with the kind of legislation the minister now has placed before us.

As I say, there is a lot of talk about the need for Canadian unity. We have to get together among the provinces, the provinces have to get together with the federal government and both have to get together with the language groups, and so on. I agree on the need for Canadian unity, but I insist there will not be real unity until there is an equal opportunity among all people in this country to enjoy a decent standard of living.

The hon. member who spoke just before me seemed worried about the guaranteed income and people having the right to welfare. I think he put it this way. If I am misquoting him, I trust he will forgive me. It seems to me what is wrong in his thinking is his failure to realize that there are already things to which people have a right. People have a right to live. People have a right to use the roads and highways and the postal service. People have the right to be defended and protected. They have the right to education. We say people have a right to decent housing, and they also have the right to enough money to be able to enjoy a decent standard of living. We believe that right should no more depend on whether or not they are lucky enough to get remunerative employment than the right to an education should depend on whether they were born in a poor or a wealthy home. It is because we believe that the redistribution of wealth should be done on the basis of right that we favour allowances being given on a universal basis rather than as welfare payments being handed out on a basis of one's declaration of poverty.

• (1630)

So I say that we are discussing today one of the most important matters of principle that we ever discuss in this House of Commons. The whole issue has been with us for a long time. Among the things that I have read fairly often is the report of the Liberal convention of 1919 when they were concerned about unemployment, old age and sickness and pledged themselves to do something about those difficulties. It took them a long while to sort out their thinking. But I have to say for the Liberals that even though it may have taken prodding from this side of the House to make them do it, they came to the point when they realized that these problems were not to be solved by welfare handout programs but, rather, by universal allowances or by insurance programs.

I think the travail that the Liberal party went through for a few decades to come to this position was worth it. The trouble is now—and it is a tragedy for Canada—that the Liberal government is headed by a Prime Minister who thinks he knows better than all the Liberals who went before him, so he has handed out the dictum that the way the other Liberals did it is not the right way. So now they foreswear the principle of universality, the very principle that led this Parliament to bring in good social legislation.

I believe it is most unfortunate that this has happened to the Liberal party. If it had happened only to the Liberal party it might not be so bad, but because the Liberal party is in power it is happening to the country as a whole. I see this piece of legislation, if it goes on the statute books, as an unfortunate one, not just for the mess that I will talk about in a few minutes but because I think it turns back the clock; it increases the sense of division in this country; it divides us into haves and have-nots; it perpetuates living on handouts, on welfare, on means tests or income test programs instead of enjoying one's share of the wealth that we produce because we are people, because we are Canadians and because we are part of this great country.

If we cannot persuade the government under the present Prime Minister to realize the mistake that it is making, I hope that at least by debating this measure, as now seems likely in view of the speech made by the Minister of National Health and Welfare, we may yet give the government the summer to think it all over.

I said a moment ago that I would say something about the mess that this legislation will create. There is no doubt about that. It is true that some of the many difficulties that the new Unemployment Insurance Act created have lessened, but they have not gone. We still have cases of persons over 65 or over 70 years of age having received unemployment insurance benefits being told a few months later that they have to return the $200 or $300 they received. One can imagine the tragedies that this kind of thing produces.

We still have people not receiving the benefits to which they are entitled or having to go through all sorts of rigmarole. Why? Because a relatively understandable Unemployment Insurance Act was replaced by one that had in it so many complications that it is just not working. The troubles that the computer had with the Unemployment Insurance Act are minor compared to the troubles the computer will have with this act. The minister and his officials have had to admit from time to time that it will take longer and longer to get this legislation into effect.

Originally, there was a bill under which payments were to have been made last month, in May, 1972. Now we have a bill the intention of which was that the payments would be made in September or October of 1972. That has been delayed to December and then to January. Yesterday the minister admitted that very probably the payments under the new legislation will not be made, even if the bill passes now, until next summer, the summer of 1973. I suggest to you, Sir, that if it will take that long to get it started, it is an indication of the length of time that will be needed to sort out the complications and the messes that will arise under this legislation.

It has been said many times that the amount that you get will have to be readjusted time and time again because people do not live lives under static conditions. The average family finds its income going up or down, finds the number of children increasing or decreasing and their ages changing. There are cases where people go on unemployment insurance and then go back to work again, or have periods when they do not get either, so that the amount of income a person will have in a year is an unknown quantity at the beginning of the year and in some cases is unknown at the end of the year. All these

things can determine the amount that each family will get under FISP.

The result of all this, as I say, is that there will be a complicated mess, and in addition to the delays and changes that will take place there will be the fear that thousands of mothers and families will have, that they may be saying the wrong thing, that they may be making a mistake, that they may have failed to report something which they should have reported. The result will be that they will put themselves in danger of having to pay moneys back or face prosecution.

Compare all that with the simple system we have had since 1944 under which all of these other economic factors did not matter at all. I submit that these complications make this bill one that no sensible group of people, such as I hope we have in the House of Commons, should accept. I disagree with a good deal that the hon. member for Trinity (Mr. Hellyer) said in the speech he made this afternoon, although I understand some of what he said and agree with some of it. But what interested me most was his reflection, as one who sits to Your Honour's right, of the kind of talking that is going on in the Liberal party. He is not of them any more, but he is over there with them and he made it clear to us that there are many of them, ministers and backbenchers alike, who hope this legislation will not go through.

As a matter of fact, this morning when the Minister of National Health and Welfare made that very provocative speech I wondered if that was his purpose. Was he trying to provoke more speeches in this debate so that the bill would not get through today or tomorrow?

Mr. Munro: It was not all that provocative, surely.

Mr. Knowles (Winnipeg North Centre): Nothing is impossible, from the minister. In fact, if the minister wants to know, I will look him straight in the eye and tell him that I do not think he believes in this legislation.

Mr. Munro: That is not true.

Mr. Knowles (Winnipeg North Centre): I do not think that the minister, whom I knew under other circumstances when he was a private member sitting on the opposition side of the House, and when he was parliamentary secretary to the minister of national health and welfare during the Canada Pension Plan days, is the person whom I knew in those days. I do not think he believes in the principle which the Prime Minister has told him must be enshrined in this legislation. For all these reasons, and in particular because of the complicated mess that this legislation will produce, we think it should not be passed today or tomorrow.

In passing I would like to make reference to another awkward situation that is likely to develop. If my friend, the hon. member for Vancouver-Kingsway (Mrs. MacInnis), gets the floor in this debate she will enlarge upon it because it is a matter that she raised when the bill was before the Standing Committee on Health, Welfare and Social Affairs. But in case she is delayed in joining the debate, she has asked me if I would mention it now. As the minister knows, my colleague asked questions in the committee about the possibility of the FISP benefits being

treated as income for purposes of welfare payments in some of the provinces. In particular, she asked whether any steps would be taken to make sure that this would not happen. This was dealt with in the committee on May 24, 1972. The record of that discussion is on pages 9:20 and 9:21. I will not take the time to read what is said there, but I would point out that the minister simply expressed the hope that they would not do it but he was not able to give an assurance. He insisted that it was not the job of the federal government to require provinces to sign an agreement in this respect.

• (1640)

I have in my hand a letter which the national anti-poverty organization of Alberta sent to the hon. member for Vancouver-Kingsway, with a carbon copy to all Alberta members as well as to other interested members, in which it is pointed out that in Alberta the present family allowance payments are not regarded as income for the purposes of welfare, but there is every indication that in that province family income security benefits, mainly because they will be larger, in some cases will be counted as income for the purposes of welfare payments. The result could well be a smaller total cash flow to individual families.

My colleague tells me that the same thing is likely to happen in British Columbia. I say to the minister that the provinces which provide welfare payments do so on the basis of the Canada Assistance Plan, which is funded 50 per cent by the federal government, and I see no reason why the government could not find a way to make sure that payments made under FISP are not counted as income and therefore deducted from the welfare payments made in the provinces.

I hope my colleague will be able to get into this debate at some point and develop this matter. I mention it here as one complication that is bound to develop with this kind of legislation. Indeed, complications are bound to develop with respect to the whole nature of this program, which is the welfare program that the hon. member for Trinity does not like. I quite agree with him in his opposition to welfare. Where I disagree with him is in his opposition to a guaranteed income, his opposition to redistributing wealth with the aim of providing an adequate and decent standard of living for all our people.

Mr. Hellyer: Mr. Speaker, I rise on a question of privilege. I know the hon. member would not want to create a false impression. Whereas I did suggest that work for employables is better economically and socially than welfare, my proposal was for accelerated minimum wages which would lead to income redistribution.

Mr. Knowles (Winnipeg North Centre): I am happy to accept that correction and to accept the hon. member's statement that he believes in income redistribution. But where we part is on the question of how it is to be done. You cannot do it by minimum wage levels, necessary as they are. In the final analysis there has to be a tax structure and the payment of allowances in a way—

Mr. Lambert (Edmonton West): No way.

Mr. Knowles (Winnipeg North Centre): —that will really redistribute wealth and bring something approaching equality to this country. The hon. member for Edmonton West (Mr. Lambert), who has made a number of interjections which I have not stopped to listen to, says there is no way for that to work. Mr. Speaker, let it be on the record that I, too, do not believe it is possible to devise an economic system that will distribute income and wealth equally to all citizens. I think it is the job of government to step in and do that, because people are people no matter where they were born.

I suspect that many of us in this chamber were born under conditions of poverty. I am not going to recite my own case, for there are many others in this House who could do likewise. A number of us have been able to break through the barrier, to get into a little better climate of life; but that number is few. What I do not like is that so many people are confined to the same level, the same stratum of society in which their parents lived.

I think that as we go on with these kinds of payments, based on poverty, that is what we perpetuate. I do not want to perpetuate it. I want to work by every means we can, under federal and provincial legislation, to a greater redistribution of the wealth of this country. Therefore, Mr. Speaker, we want to see an increase in the payments of what we have known since 1944 as family allowances. We welcome the proposal in this bill that instead of paying $6, $8 and $10 at various ages, we pay $15 and $20. I would be quite happy to see those amounts made larger. I will not waste any time on the question of where the money would come from, because my leader the hon. member for York South (Mr. Lewis) completely demolished the arguments made by the minister this morning in that respect.

As a matter of fact, I have spent my whole adult life listening to Liberals, from Charlie Dunning on down, saying that we cannot find the money to do this or that, yet I have seen Liberal governments find the money when they have been forced into doing things. We urge that the payments stipulated in this bill be made on a universal basis. We think that the tax structure should be revamped so that those in the upper brackets will pay them back.

I am quite prepared to accept what the Canadian Council on Social Development has sometimes called an arrangement whereby they are clawed back, even in some cases up to 100 per cent. The minister asked whether we want a system whereby we give the money to a wife and then make the husband pay it back. Most husbands are used to that. That is the way we have been doing it under the Family Allowances Act; the money has been going to the wife, to the mother. We think that should continue to be the case, but with an income tax system that would take it back from those in the upper brackets.

If any individuals wished not to apply, then they would not have to apply. I am not worried about wealthy people having to declare their wealth for the payment of income tax, but I am annoyed that poor people have to declare their poverty in order to get what is their right. That is why my colleagues and I feel strongly that this legislation should not be put through in its present form, but that it either should be taken back to the drawing board by the government or referred back to the Standing Committee on Health, Welfare and Social Affairs so that we can keep in it the higher amounts of $15 and $20 but put out of it the means, or needs, or income test provisions that are now in it. I therefore move, seconded by the hon. member for Vancouver-Kingsway:

That Bill C-170 be not now read a third time, but that it be referred back to the Standing Committee on Health, Welfare and Social Affairs for the purpose of reconsidering the portions of clause 6 and of such other clauses that impose a means or income test for the receipt of benefits under the said bill.

• (1650)

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, a few moments ago the hon. member for Winnipeg North Centre (Mr. Knowles) indicated he had heard me interjecting "No way". I meant that there was no way the Canadian public would accept the egalitarian society for which he is preaching.

Mr. Orlikow: Why not ask the minister if he agrees?

Mr. Lambert (Edmonton West): I will develop this thesis as I go along. I spoke at some length in the second reading debate on this bill. Once again I must confess my amazement. I am surprised that the government, in searching for a more equitable way to make payments to families, in abandoning the old family allowance plan and adopting the new Family Income Security Plan has, in my estimation, come up with a program which is infinitely more unjust than the old one. It will cause much more controversy and much more dissatisfaction on the part of those who may be entitled to more or who may be disentitled to any benefits under this program.

The minister this morning put figures on some of the most extravagant propositions raised by individual members, attributed those suggestions to the opposition in general. He failed to realize that individual members on this side of the House are not, and must never be, in the position of members of cabinet who must display cabinet solidarity. Otherwise, all one would need in this House would be party leaders—the prime minister, the leader of the opposition and the leaders of other parties. There can be no exchange of ideas under a system like that.

I disagree fundamentally with the egalitarian, socialistic philosophy of the hon. member for Winnipeg North Centre. I do not agree with him one iota.

Mr. Knowles (Winnipeg North Centre): Then one of us must be wrong.

Mr. Lambert (Edmonton West): On the other hand, he must be permitted to express his ideas in this forum even though he disagrees with some of his colleagues.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): Even though he disagrees with some of his colleagues, he must express his ideas. I am sure the hon. member for Timiskaming (Mr. Peters) does not share these opinions expressed by the hon. member for Winnipeg North Centre.

Mr. Knowles (Winnipeg North Centre): Not at all; he is my chief supporter.

Mr. Lambert (Edmonton West): Not according to what I hear; there are great differences of opinion between those hon. members. The minister in his speech this morning mentioned ideas which come within the widest parameters. In putting a dollar figure against these ideas, he conveniently forgot the net cost to government that this program involves. Of course, he may have considered the matter on a gross cost basis. The various methods of redistribution, say the old age pension, unemployment insurance and other programs, come within the purview of income tax, and this is where I differ from the hon. member for Winnipeg North Centre.

I agree that the entitlement to benefits for children should be determined on a universal basis. However, if we are to achieve the aims of this bill, surely the simplest way would be by putting family allowances under the Income Tax Act. Let them be subject to income tax. We do this with old age security. At one time I thought the NDP would adopt that position. The hon. member for Winnipeg North Centre has not spoken about this, so I do not know whether he has abandoned the idea that family allowances ought to be subject to income tax. Entitlement to benefit ought to vary according to ability to pay. In that way, low income people and those with large numbers of children would obtain greater entitlement. This, I put to you, Mr. Speaker, and to hon. members is the thrust and purpose of the bill.

What will we do under this bill? We shall create an administrative monster. We shall ask every parent, living singly or otherwise, to estimate family income. On the basis of that estimate the allowance will be paid. There is no guarantee that the mother will work and earn that income. If she is a part-time employee she may not earn as much as she estimated, or she may earn more. If she does earn more, at the end of the year money must be repaid to the state; an adjustment must be made. If you think there will be no opportunity for those who desire to fiddle, think again. Right at that point there will be an open invitation to fiddle.

My second point is that there will be difficulty, as there is with unemployment insurance benefits, in the recovery of overpayments.

Mr. Peters: This is terrible.

Mr. Lambert (Edmonton West): What effort will be made by the collection branch of the Department of National Health and Welfare to recover overpayments made under FISP? Think of the huge bureaucracy that must be created to monitor the annual returns that will need to be made to establish entitlement to family income security!

Mr. Peters: That might be one way of lessening unemployment.

Mr. Lambert (Edmonton West): I hear an hon. member saying that this may be one way of solving part of our unemployment difficulty.

The Acting Speaker (Mr. Boulanger): Order, please.

Mr. Lambert (Edmonton West): Five o'clock, Mr. Speaker.

[Mr. Knowles (Winnipeg North Centre).]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Boulanger): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Humber-St. George's-St. Barbe—(Mr. Marshall)—National Defence—Alleged inadequate quota for Newfoundland in provision of work under student summer employment program; the hon. member for Fraser Valley West (Mr. Rose)—Industry—Request for action to prevent closure of Port Moody plant of Cascade-Delta Benco Company; the hon. member for Hillsborough (Mr. Macquarrie)—External Affairs—Reported request to group visiting Quebec House in Paris to remove Canadian flag lapel pins.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, private bills, notices of motions for the production of papers, and public bills. As there are no private bills listed on the order paper, the House will proceed immediately to the consideration of notices of motions for the production of papers.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

VIET NAM WAR—VENNEMA REPORT

Mrs. Grace MacInnis (Vancouver-Kingsway) moved:

That an order of the House do issue for a copy of the interim report made in March, 1968, by Dr. A. Vennema, director of Canadian medical aid in Vietnam in 1967-68 and for copies of any subsequent correspondence between him and the Department of External Affairs.

She said: Mr. Speaker, two years ago I placed on the order paper a request for the production of papers connected with the report of Dr. A. Vennema. At that time the hon. member for Egmont (Mr. MacDonald) I believe had placed a similar request on the order paper. On March 8 of this year the Parliamentary Secretary to the Secretary of State for External Affairs (Mr. Isabelle) replied to my request in the following words:

• (1700)

Mr. Speaker, all experts such as Dr. Vennema, who perform a particular service under contract to the Canadian International Development Agency, submit reports on their respective projects as a matter of routine. These reports and other correspondence are submitted on the understanding that they will be treated as confidential and privileged documents. If these experts felt that such documents could be made public they would be reticent about making meaningful comments that would help in the effective implementation of Canada's aid program. For these reasons I ask, with regret, that the hon. member withdraw her motion.

This I refuse to do for reasons which I shall make evident. Who is Dr. Alje Vennema, whose report I requested? Dr. Vennema, according to the biography accompanying his article in "Canadian Commentator" published in Toronto, was head of Canadian medical services in South Viet Nam from 1964 to 1968. He was later awarded the

medal of the Order of Canada for his services in that capacity. Following his work in South Viet Nam he submitted a report to the government. It is this report that I have been unable to get. His report has been buried in the vaults of the Department of External Affairs. In other words, he was given a medal and told to be quiet.

What is contained in the report we do not know exactly, but we have a fair idea because of the article which he wrote for "Canadian Commentator" last summer. I quote from this article:

Canada was supposed to be neutral and objective. We could have drawn the attention of the Americans to the catastrophe they had unleashed upon the Vietnamese by telling them: "What you are doing is not only disastrous, it's tragic, it's godawful and you ought to stop it."

But we always tried to placate the Americans in almost everything. The Canadian delegation to the ICC was in essence an extension of the U.S. State Department. If there was an important decision in an area that might hurt the Americans, the Canadians would make sure it wasn't published.

Most of the Canadians with the ICC felt they were doing the right thing. Many shared the American opinion that there was a place for the Americans in Viet Nam, fighting Communism and infiltration from the north. Some thought it was a useless situation to be in; others, that the Canadian component of the ICC existed to further the affairs of the West, as the Poles represented the East and there were those who felt anything being done was the right thing to stem the tide of Communism. Yet we were in a unique position to tell the Americans: "Look, what's going on here is a tragedy".

I went to South Viet Nam to join the American Dr. Tom Dooley's medical mission and moved to the Canadian mission in 1964. Under the terms on which Canadian medical aid was extended to Viet Nam in 1954 we were supposed to deal with both North and South Viet Nam through a liaison committee. But we didn't really want to give aid to the North and we never offered it. We didn't deal through the liaison committee but through an exchange of notes with the South Vietnamese government, which was de facto recognition of that government. Every time there was a coup and the government changed we exchanged notes but we never had a project agreement although we spent more than three million dollars.

Our services were not directly concerned with the war as we were dealing with tuberculosis and nutrition and so on in the TB hospital we built in Quang Ngai.

But I handled 20-30 napalm bomb casualties in the hospital. When a Toronto *Star* reporter wrote this the ICC delegation got cables from Ottawa saying "Better talk to Vennema about this. This type of thing should not be said. The U.S. government says there are no napalm cases in this province."

In 1967-68 I first told about the American use of gas. The Canadian delegate, Ormond Dier, called me in and said "What's this?" I said I had handled people affected by gas—likely CS or CN. He said the delegation was upset that this had been put out and advised me to keep quiet.

Don't forget, this man was later awarded the Order of Canada. He is not a man who can be lightly brushed aside.

Blair Seaborn, the ICC delegate who carried U.S. messages to Hanoi was, I thought, a very reasonable man who had a good grasp of the situation, but he was just a go-between and he personally had no decision or say-so in anything. The decisions were made between Ottawa and Washington—

I left the hospital in 1968. It was taken over by the South-Vietnamese army paramilitary forces who used it as a firing base—what the hell is the use of making a hospital and having it used as a firing base? I suggested to Ormond Dier that he withdraw all his voluntary medical personnel because they were risking their lives. Secondly, I said, by providing medical aid what you are really doing is prolonging the conflict. South-Vietnamese doctors and nurses were never much interested in their own people and the medical services in the country were being rendered by foreign personnel.

Dier's response was that we must have Canadians at Quang Ngai because it was very important for Canada to be in Viet Nam. Canadians had died for Canada before, he said. I asked if it's that important why don't you send a civil servant there from the department of external affairs who can just sit there and wave a flag? But he put a lot of things into perspective for me. What was important in Viet Nam was Canadian representation—to show we were there. Again, to placate the Americans. There was nothing we could do in Viet Nam without the Americans. We depended on them for transportation, often for food, for everything.

This article was written by the man whose report I am trying to obtain. This is some indication of the tenor of the report and why we cannot get it. This man has refused to be shut up by the receipt of the Order of Canada. His four years in the South Viet Nam hell performing medical service ought to be given respect by making his opinions and report available to the representatives of this country. We do not know exactly what is contained in his report but I think this article indicates what is likely to be there.

The remarks of the parliamentary secretary about meaningful comments that would help in the effective implementation of Canada's aid program take on a different meaning. The parliamentary secretary indicated that reports such as this can be released only if they are helpful to Canada's aid program. What aid program? Canada's aid program to the Vietnamese, or Canada's aid to the American attempt to wipe them out? All through the piece, all through this costly, dragged-out war Canada has been the silent partner in the murder of the Vietnamese people. True, we have had a hospital there to bind the wounds and care for the sick, but our country, through defence sharing agreements, has helped to supply the means of killing and mutilating the people and despoiling and destroying their country.

Dr. Vennema's former assistant in the Canadian anti-tuberculosis hospital at Quang Ngai, Claire Culhane, has written a description of the dreadful and unbearable horrors she witnessed daily in the course of her nursing work there. Her feeling of the hypocritical futility of the whole Canadian exercise of caring for the victims while helping to cause the casualties is summed up in her description of the case of one young patient. She writes:

In the soft tissue ward I had been nursing a youngster whose entire body was one big open wound, but it was healing. Gradually, after three months of careful treatment he was beginning to be able to romp around the ward, quite naked as he could not bear to have anything touch his raw flesh. One morning I came in to find he had been discharged home. The utter futility of our TLC (tender-loving-care) program filled me with despair. If he didn't get bombed or blown up on the way home (two provinces distant)—if there was a home and a family still there—with no further treatment and only dirt and dust to play in, he would surely become infected and die in no time at all. All we had been doing for three months was treating a doomed child. But what degree of difference was the prospect for any of the other patients as soon as they left the hospital? Every procedure was just an exercise in futility and could not have been made more vivid than at that moment.

• (1710)

That is Claire Culhane who went through the hell over there at that period of time. Mr. Speaker, I think it is time we began to realize we are living in a single world and that all these imperialisms and frontiers are dangerous;

they are impossible things with the people of the world being just human beings wherever they may be found.

The motion we are considering has been on the order paper for a long time and Dr. Vennema's report has been in the hands of the government for a much longer time. The war which was described by the former Secretary General of the United Nations, U Thant, as "this monstrous war" still goes on. Canada's "Pentagon Papers" should be released. The people have a right to the facts. They paid for the preparation of the report. They sent Dr. Vennema over there, and no matter what they thought of his political opinions the government has recognized his services by awarding him the Order of Canada.

The very least we should do in this instance is to air the facts in the way the American facts have been coming out and allow the people of this country to know the truth of Canada's role in the war in Viet Nam. It is no longer good enough to say, as the Prime Minister (Mr. Trudeau) did when questioned about the $300 million worth of military equipment being sold to the United States by Canada and which found its way to Viet Nam, "The choice is between $300 million sales or clean hands and empty bellies." I believe the Prime Minister was exceedingly wide of the mark: that is not the choice. As the Americans are learning, the choice is not between clean hands and empty bellies, but between using the equipment and technology they possess for the purposes of war, killing, destroying, mutilating and ruining the environment, and turning that technological know-how and skill to the purposes of peace. That is the choice in front of us.

Mr. Béchard: What about the aid coming from the Russians?

Mrs. MacInnis: I don't care what the Russians, the Chinese or anybody else are doing. That is not germane. I am talking about Canada. Canada is our backyard and we should be cleaning it up before we go around finding out what anybody else is doing. This is the place we can control and that is what we should be doing. As a first step we should not be afraid of getting at the truth. If Canada has been an accomplice in this matter and still is, I think it is time the Canadian people were made aware of it. If Dr. Vennema's report contains facts and figures about what he has been doing in Viet Nam, and deals with what he saw in addition to his medical work, we deserve to hear those facts. Let us not forget that Dr. Vennema was regarded highly enough by this country to be awarded the Order of Canada.

Mr. Béchard: For the work he has done there.

Mrs. MacInnis: All right, for the work he has done there. But not only for the work he has done, which is only part of the thinking that merited the award. Certainly we should not censor Dr. Vennema's report. The government has no right to censor that report or to black it out entirely. The people of this country have a right to be given the facts. This is the reason several of us in the House have hung on doggedly, despite the amount of time which has gone by since the motion was placed on the order paper and despite the fact that Dr. Vennema must have long ago given up hope of getting this matter brought out into the public gaze. Claire Culhane has also worked very hard in this regard, as have a great many others, protesting that it is not too late to bring out these facts. It is never too late to bring out the truth into the light of day for people to see.

Mr. David MacDonald (Egmont): Mr. Speaker, I am pleased to take this opportunity to speak in connection with this motion for the production of papers. As the hon. member for Vancouver-Kingsway (Mrs. MacInnis) said a few moments ago, the issue involved here is not a new one. It is tragic that it is still a contemporary issue in that the conflict in Viet Nam continues, as does the complicity of Canada in that conflict. It is disturbing, especially when one considers the wanton destruction of life and environment in that tragic little land of Viet Nam.

I have been particularly concerned with the lack of forthrightness of the government, not only in reference to Dr. Alje Vennema, with whom I have had an opportunity to talk from time to time, but with reference to a whole host of people many of whom have been sent to Viet Nam over the years and who have come back to Canada with serious reports only to have the greater part of them swept under the rug.

It is interesting when we recall, as the hon. member for Vancouver-Kingsway has pointed out, the high regard in which Dr. Alje Vennema is held in this country and the award he has received. I could mention, in addition, people such as Dr. Gustav Gingras who recently received an award from, I believe, the Royal Bank of Canada of $50,000 for his great work in rehabilitation. I think members on both sides of the House will remember that Dr. Gingras was involved in the examination of a possible rehabilitation program under which children were to be brought from Viet Nam to this country, as well as with rehabilitation work with children in Viet Nam. Again, he was most critical of the posture and performance of the Canadian government toward that country. It is quite clear, Mr. Speaker, that anyone who attempts to deal with the humanitarian issues which are at stake in Viet Nam immediately becomes concerned about the role played by the Canadian government in that conflict.

It was much more comfortable for the government and for Canadians generally to be in support of the role of Canada in Viet Nam while there was still widespread support for the United States interest and involvement in the conflict. However, since the decline of American support for its own involvement in that war, the revelations which have been made with regard to the atrocities committed and the real political issues at stake in that country have impressed both young and old alike with the folly and, of course, the tragedy of the war. The tragedy in the first instance, of course, involves the people of Viet Nam themselves. The tragedy for the United States, and the tragedy for Canada, lies in allowing itself the foolishness of getting involved in that conflict and for believing it had interests at stake great enough to encourage the destruction of a people and of a land.

The United States has not yet extricated itself from that war. There is a widespread belief both here and in the United States that this will happen. But at some time there will need to be an accounting taken, not only by the Americans of what they have lost and suffered in the conflict but of Canada's own role. It will not be a happy

one. When the story can be fully told by Dr. Gingras, Dr. Vennema, Claire Culhane and the secret reports of the International Control Commission, as well as all the other documents and papers which the hon. member for Vancouver-Kingsway suggested are secreted away in some vault, I have a deep-seated belief that Canadians will be sorely ashamed.

• (1720)

It is an easy thing to say. It has become increasingly obvious that we have willingly consented to a good deal of the United States military intervention in Viet Nam and that our aid projects as such have been, as I think has been suggested, 50 per cent humanitarian and 50 per cent political. Much of what has been declared as aid has of necessity been tinged politically because we have offered cover, protection and assistance to the military of South Viet Nam and of the United States.

We have proclaimed that we are, in one sense, neutral. But we have not been neutral. It is a well documented fact that we have supplied hundreds of millions of dollars worth of destructive materials which have been used to cause injury and death in South Viet Nam. Yet we have attempted to provide some kind of humanitarian program under the umbrella of the South Vietnamese military regime and the United States military government. This has never been clearly stated by any prime minister or minister of the government, but it cannot be denied for it would not be true to deny it. We have given no official recognition to the regimes of either Hanoi or Saigon, yet we have been a willing ally in terms of our activities with the Saigon regime. We have, of course, had no contact, apart from what limited contact has been available through the ICC, with the Hanoi regime.

There are two fundamental issues at stake this afternoon. One issue is Canada's real role in Viet Nam both in terms of military hardware and in terms of aid and humanitarian programs. There has been no tragedy greater for North America during the last decade than its involvement in Viet Nam. To the degree that we have encouraged or assisted in that conflict and extended it, we must admit that in one sense we have been duped and in another sense more than duped. Perhaps we have been willing accomplices—mistakenly, perhaps—with regard to the real issues in this conflict.

It has been stated very clearly by the hon. member for Vancouver-Kingsway that there is a good deal to know about Canada's aid program in Viet Nam. For the last four sessions, with the exception of the present brief session, I have continued to have on the order paper a notice for production of papers asking for the documents relating to Mrs. Claire Culhane. Mrs. Culhane is a rather well known individual in this country for she has demonstrated unceasingly against Canadian involvement in Viet Nam. She has created something of a reputation for herself because of her single-mindedness on this issue.

What she has tried to bring forward in every possible way in conversations with the Prime Minister (Mr. Trudeau), as well as through repeated letters to ministers and members of the House, is the full round of reports that she herself has made. On an earlier occasion when I attempted to obtain these reports and documents which she has filed as CIDA adviser, I was told by the officials of the minister's department that if the documents were made public they would very likely be libellous.

What I was asking for were documents that Mrs. Culhane had herself submitted. I assume that if they were libellous, Mrs. Culhane would have to accept responsibility for them, and it has always been my impression that this is what she was prepared to do. Yet the government has been most reluctant to provide the full facts and background information respecting her reports and other reports which have been filed over that period. I submit it is important that the Canadian people know what in fact has been the role of the Canadian government in regard to its aid programs in this terrible conflict. If it is the wish of this particular government not to make these records available, then it is paramount that some future government do so in the interests of the Canadian people.

The second issue at stake here is directly related to this whole business of production of papers. Yesterday afternoon I was, quite frankly, very tempted to rise on a point of order immediately following the point of order raised by the hon. member for Winnipeg North Centre (Mr. Knowles) when consent to a motion for production of papers was refused to the hon. member for Yorkton-Melville (Mr. Nystrom). I think in *Hansard* for yesterday afternoon we have a classic record of the inability of this House to deal effectively with the production of papers. As reported at page 3596, the following motion No. 48 put on the order paper by the hon. member for Yorkton-Melville was moved:

> That an order of the House do issue for copies of all contracts dealing with publicity and/or information entered into by the Department of Industry, Trade and Commerce in the fiscal years 1970-71 and 1971-72.

That notice of motion for production of papers was agreed to. Then in the very next instance, as recorded on the next page, notice of motion No. 46, again standing in the name of the hon. member for Yorkton-Melville, was moved, asking as follows:

> That an order of the House do issue for copies of all contracts deaing with publicity and/or information entered into by the Department of National Health and Welfare in the fiscal years 1970-71 and 1971-72.

The parliamentary secretary replied as follows:

> Mr. Speaker, we cannot accede to the request of the hon. member because a contract is a confidential document between the individual and his employer.

What kind of situation do we have, Mr. Speaker, when in one instance one parliamentary secretary says the motion is perfectly acceptable and that the government is prepared to respond by tabling papers and documents, and the very next moment another parliamentary secretary says it would not be proper for such a motion to be accepted? I think this illustrates that at the present time the only rules governing production of papers in this House can be very simply stated as follows: Yes we want to do it, no we don't.

Quite frankly, Sir, I think in your capacity as senior officer of the House a special responsibility falls upon you, and particularly on those concerned with the procedures used in this place, to scrutinize very carefully what the House adopts as its customary practice in regard to

the tabling of documents. It is a matter of increasing concern not only to Members of Parliament but to the general public that larger and larger amounts of government information are being labelled as confidential, as highly confidential, as secret, as top secret, as not for public distribution, as an interdepartmental communication, as a special study, as an advisory report or whatever the label that is applied.

In effect, we are seeing an attempt to block a basic democratic process, that of the right to know. In recent days we have had debates in the House touching on this very issue, and we are clearly seeing that on this question the government is using its opinion regarding the production of a particular document or paper as the criterion for deciding whether so to produce the information.

• (1730)

I think we must establish very clearly that there are basic ground rules in respect of the tabling of documents. Instead of adopting the attitude that whenever the government feels it necessary, it may maintain that things are confidential, we should reverse this trend and say that generally it is in the public interest to have this information unless it can be conclusively proved that documents if made public will create substantial harm in one form or another. Now it appears the burden of proof is the other way and members are drastically limited in this regard.

We know that at the end of a session, even at the end of a very brief one such as this, there remains a long list of motions which hon. members have brought forward for the production of papers. A few are adopted, fewer still are voted on, and most are completely ignored. I do not think this is good enough. I do not think a system of government as complex as the one we have evolved in this country can work effectively if information is increasingly denied the people and their representatives.

If ever there was proof of lack of policy and clear procedure for the House to deal with the production of papers, it was pointed out in yesterday afternoon's performance in this House. We would not need constantly to go through a repetition of the kind of thing the hon. member for Vancouver-Kingsway and myself have done in respect of these specific papers on CIDA in Viet Nam if we had clear procedure and if there were a clear delineation as to what should be made public and under what conditions. At the present time this business is increasingly frustrating; it is frustrating to the point of delaying the work of government and denying public participation.

I think it is most difficult for any government spokesman to prove that the public does not have the right to know what has been our performance, policy and activity in respect of aid programs in such a sensitive situation as that in Viet Nam. I for one would be most interested to know why, particularly after a long passage of time, it is generally thought that reports submitted should not be made available. I should like to know why these reports cannot now be in the public domain. I think the burden of proving the necessity of maintaining them as confidential documents should be with the government. I will be very interested to hear what the government has to say in this instance.

[Mr. MacDonald (Egmont).]

Mr. Grant Deachman (Vancouver Quadra): Mr. Speaker, there are two aspects of this debate on the motion for the production of papers moved by the hon. member for Vancouver-Kingsway (Mrs. MacInnis). One is the policy of the Canadian government in respect of the war in Viet Nam. Every debate on a motion for the production of papers brings with it a substantial discussion on the material that is said to be contained or may be contained in those papers. Then there is the question—this was raised in the last few minutes of the remarks of the hon. member for Egmont (Mr. MacDonald)—of the confidentiality of documents exchanged between public servants and ministers of the Crown. Those are the two aspects of this debate.

With regard to the first aspect, the policy of the Canadian government on the war in Viet Nam, we on this side of the House do not accept the allegations of the hon. member for Vancouver-Kingsway and the hon. member for Egmont. During these remarks I shall not enter into the question of what is Canadian policy in respect of the war in Viet Nam or what it should or should not have been. I shall not engage in a refutation of the remarks of those who preceded me. That matter might better be discussed in a debate on external affairs which gives ample scope to discuss the substance of the question. I want to address myself particularly to the concluding remarks of the hon. member for Egmont when he spoke of confidential papers and what the government ought to do about them.

This motion provides a good case for examination. First of all, who is Dr. Vennema? That has been very ably dealt with by the hon. member for Vancouver-Kingsway. If I might just refresh the minds of hon. members for a moment, he was project director of the Canadian tuberculosis centre in Quang Ngai from 1965 to 1967. He was appointed director of Canadian medical services in Viet Nam shortly before his departure. Following the 1968 Tet offensive, he returned to Viet Nam briefly to report on the status of Canadian medical aid projects.

During his assignments in Viet Nam, Dr. Vennema prepared several reports for the government, including two following his February 12 to March 28, 1968, visit. He recommended, among other things, the withdrawal of all Canadian medical personnel from Viet Nam. He had some very vivid things to say about his experiences in Viet Nam. He is a person of great sincerity whose work and ability as a medical man won for him the medal of the Order of Canada. He is a man of unquestioned integrity and reputation. Having heard him speak on television following his assignment, I think he can only be regarded as a good Canadian with a message in which he sincerely believed and wanted to convey to the Canadian people.

The questions with which we must deal in the case of the papers of Dr. Vennema are: What was his relationship with the government, and what was his relationship in respect of the reports he submitted? There was a relationship of confidentiality. Whatever may have been said by Dr. Vennema subsequently in making his case, which he had a perfect right to do, he was at that time bound by confidentiality in his reports. I think he respected that fact in the reports he made to the Canadian government.

All experts such as Dr. Vennema who perform a particular service under contract—to CIDA in this case—submit reports on their projects as a matter of routine. These reports are part of the requirement of service and are all submitted on the understanding that they will be treated as confidential and privileged documents, because frequently they contain information and personal opinions about individuals as well as views about the projects in which they are involved.

These reports are of considerable importance in improving CIDA's assistance programs to developing countries and, in fact, in improving the ability of the government of Canada to assist in a particular situation. Public distribution by the government of such reports could be interpreted by the experts working for CIDA as a breach of confidence. Moreover, if it became the practice to make such reports public it would inhibit officials of CIDA or any other officials from expressing their views.

We must remember that confidentiality is part of the daily life of employers and employees working together in a particular situation. Confidentiality enters into our discussions in this House as the business of the House moves forward: there is confidentiality in respect of meetings of House leaders, confidentiality in conversations between whips, between members and ministers and between members on both sides of the House about the business we put forward.

• (1740)

If what was said by them were to be made into a press release, then what was said between employer and employee and what we said in this House to each other when discussing business in confidence, would be only what we were prepared to see printed for publication. So, if we were to move, as suggested by the hon. member for Egmont (Mr. MacDonald), to a position where a report from a public servant could be made public unless, as he put it, it were conclusively proven that it would be harmful to the public interest, then we could be assured that the reports the government receives from its public servants in departments everywhere and abroad would contain only those matters which they were prepared to see published. In this event, the minister and the executives in the public service would know no more about what was going on than what they read in the papers. If confidentiality does not and cannot exist in documents of this kind, there would be no sense whatever in asking for a report from a man of Dr. Vennema's stature and undoubted integrity for he certainly would not report in all honesty what he felt if he believed his opinions were to be made public.

If we ask a man his opinion in confidence the answer will be different from one given for publication. This is something we all know.

An hon. Member: Dr. Vennema wants it published.

Mr. Deachman: The government of Canada has a position to maintain in respect of its public servants. If it took the position that it would, from time to time, pluck a confidential report out of the basket and make it public material, as is being suggested now by the hon. member, then all I can say is that public servants will report to their employers precisely the kind of material that the hon. gentleman and I see every day of our lives and shove into the wastepaper basket. That kind of material is cranked out by the public service day after day. We know a great deal about it. The scrap paper people become wealthy just carting away the press releases which contain that kind of information in the House of Commons.

An hon. Member: This is not that type.

Mr. Deachman: I know the kind of information to which the hon. gentleman is referring. He is referring to a confidential report made to the government of Canada, and made in confidence so that the government could make a judgment. I think we must respect our public servants and be prepared to deal with them in confidence. Although this is most unlikely, I say to the hon. member that if the day should ever come when he occupies a seat on this side of the House or a seat on the cabinet bench, I doubt very much that he would tell his senior officials that they should not tell him anything they do not want published because they would be likely to find themselves in a most embarrassing position since confidentiality between him and them had gone out the window. That is not really what the hon. member would do if he found himself in that position. Dr. Vennema knew that would not happen when he sent that report to the government of Canada advising the government about conditions.

An hon. Member: Why does he say he wants it made public now?

The Acting Speaker (Mr. Boulanger): Order. The hon. member has the floor, and I think he should be allowed to continue his speech without interruption.

Mr. Deachman: I think that is a matter the hon. gentleman and others should take up with Dr. Vennema.

In closing, I simply want to make the point clear once more that there is no question about the confidential relationship which must exist between senior officials of the government of Canada and ministers in respect of reports. If that relationship cannot exist, they certainly cannot work together. That is the way it has been when other governments have been in power. That is the way it was when the Conservative government, the party of the hon. member for Egmont, was in power. That is how it would be if, as I say, it should ever fall to the NDP to form a government in this country.

[*Translation*]

Mr. Albert Béchard (Parliamentary Secretary to Minister of Justice): Mr. Speaker, the motion of the hon. member for Vancouver-Kingsway (Mrs. MacInnis) again brings up, among other things, the traditional question of the obligation, for the government authorities, of making public all documents, letters and reports that originate from or are addressed to a minister.

Is it in the public interest to bring out in broad daylight all the reports on private or public inquiries, special surveys and expert advice ordered by various departments, boards or government agencies, in the daily administration of public affairs?

Vennema Report on Viet Nam War

Mr. Speaker, in some cases, would publishing all their correspondence and reports really be honest towards the employees of the government, government boards or agencies? For my part, I do not hesitate to say that we would be doing a disservice to the country and to the Canadian people, contrary to what has been suggested by the hon. member for Vancouver-Kingsway.

For example, would the hon. member for Vancouver-Kingsway be ready to authorize the publication of her entire correspondence with a department, or with a board, etc?

As pointed out earlier, who is Dr. A. Vennema? As stated he was head of Canadian medical services in Vietnam in 1967 working for the Canadian International Development Agency which—

[*English*]

Mr. MacDonald (Egmont): Mr. Speaker, may I ask the hon. member a question?

• (1750)

The Acting Speaker (Mr. Boulanger): The hon. member is rising for the purpose of asking a question. Does the parliamentary secretary allow the hon. member to ask his question?

[*Translation*]

Mr. Béchard: Mr. Speaker, I have prepared a speech which I should like to have enough time to deliver this afternoon. The hon. member made his own speech; therefore, I wish he gave me the same opportunity, after which he might ask his questions.

Dr. Vennema is recognized as a highly competent specialist who carried out the particular work entrusted to him in Vietnam most ably and successfully, on account of his medical knowledge and the human character he gave to his work there, in the circumstances known to all of us which prevailed in that area of the world then and unfortunately are still prevailing now. The high professional ability of Dr. Vennema is beyond any doubt. Besides, Canada has recognized his achievements.

Dr. Vennema is a Canadian who in the early 60s first worked in Vietnam, as stated by the hon. member for Vancouver-Kingsway, under an American medical program designed to alleviate the plight of the civil population constantly pressed by the war actions that were and still are breaking up on that territory.

At the request of the Vietnamese government, Canada agreed to contribute to the construction, the equipment and the operation of a anti-tuberculosis centre. In accordance with that agreement, our country, under its foreign aid program administered by the Canadian International Development Agency, built a modest two-storey building. This country provided the necessary equipment and medical supplies, as well as a team of experts for ensuring the effective operation of that centre. On the other hand, the Vietnamese people provided the lot and shared the operating costs. The Canadian medical team included the project director, who was Dr. Vennema from 1965 to 1967, nurses, technicians and administrative personnel, whose tasks included management of the training given to the Vietnamese people who were eventually to take over the

administration of that centre and who in fact did so in 1972.

The centre which, by the way, is located in the city of Quangngai in the province of the same name, was inaugurated officially at the end of 1967 at which time Dr. Vennema was appointed director of the project. However, as a result of the events we are all aware of and which accompanied the Tet offensive early in 1968, the centre was closed temporarily and the Canadian medical staff pulled out of Quangngai. At the end of his tenure, in 1968, Dr. Vennema was replaced by Dr. Michel Jutras, who remained director from December 3, 1967 until July 6, 1971.

Mr. Speaker, Canada spent $2,000,000 on that anti-tuberculosis clinic project. The project has proved very efficient in that province of Viet Nam owing to the generous contribution of the Canadian personnel, including Dr. Vennema and other Canadians just mentioned.

In fact, the responsibility for that project has been transferred to the Minister of Health of South Viet Nam on March 22, 1972, and all the Canadians who were affected completed their contract and left QuangNgaï as expected.

During his stay in Viet Nam, Dr. Vennema has naturally prepared and presented several reports on behalf of the Canadian government including two in 1968, in order to evaluate the consequences of the Tet offensive. Among other things, these reports recommended, as said earlier, the withdrawal of all Canadian medical personnel from Vietnam as of 1968. Later on, Dr. Vennema made the newspapers' headlines by commenting the use of poison gas in Vietnam, the massacre of Vietnamese civilians and the presence of Canadians.

As for Mrs. Culhane, whose name was mentioned by the hon. member for Vancouver-Kingsway, on her arrival in Vietnam she criticized the Canadian policy and presence in that country. Apparently, at least from the newspapers' reports on Mrs. Culhane and Dr. Vennema, their criticisms were rather of a political nature and were not in the least aimed at the high quality of the Canadian medical assistance to the Vietnamese civil population and how welcome was this assistance in Vietnam. The issue of Vietnam policy had nothing to do with the assignment of the Canadians who went there to establish hospitals. In fact, part of Dr. Vennema's report recommended the creation of several hospitals and this recommendation was implemented by Canada; several hospitals have been set up throughout Vietnam.

Over the last two years, similar motions have been introduced by the hon. member for Vancouver-Kingsway and by the hon. member for Egmont (Mr. MacDonald) doubtlessly following the failure of the "Voice of Women" in their efforts to obtain copies of those reports and correspondence and also following the repeated criticisms from Mrs. Culhane. The department refused to release the reports prepared by the advisers of the Canadian International Development Agency because they are considered as classified and, as I said earlier, I think that in the public interest those documents should be recognized as such.

[*English*]

Mr. Wahn: Mr. Speaker, I rise on a point of order. May I have your permission and the unanimous consent of the House to revert to routine proceedings for the purpose of presenting a report by a standing committee?

The Acting Speaker (Mr. Boulanger): Is there agreement of the House?

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

EXTERNAL AFFAIRS AND NATIONAL DEFENCE

Third report of Standing Committee on External Affairs and National Defence—Mr. Wahn.

[*Editor's Note—For text of above report see todays Votes and Proceedings*]

[*Translation*]

The Acting Speaker (Mr. Boulanger): It being six o'clock, I do now leave the chair until eight o'clock.

At six o'clock the House took recess.

[*English*]

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

FAMILY INCOME SECURITY PLAN

MEASURES TO PROVIDE BENEFITS IN RESPECT OF CHILDREN

The House resumed consideration of the motion of Mr. Munro that Bill C-170, to provide for the payment of benefits in respect of children, be read the third time and do pass and the amendment thereto of Mr. Knowles (Winnipeg North Centre).

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, before the adjournment hour I had been speaking about the difficulties that would be created under this bill because of the bureaucracy that will be necessary to monitor family income as a result of the adoption of this plan. I had an opportunity to reread the remarks I made on March 28 when this bill was before the House for second reading. At that time I referred to the administrative nightmare that would be created. I have not changed my mind one iota in the interval. As a matter of fact, I think the committee hearings have confirmed the fact that the administration of the bill will create a great deal of difficulty.

Seemingly the public has been lulled into a false sense of security as a result of the lengthy interval between second reading and now, when the government insists on coming back with the bill in the dying hours of this session of Parliament in an effort to get it accepted. The bill is political window dressing, Mr. Speaker. I am not quarrelling personally with the minister on this score. I blame the whole administration for it. I have said the same thing with regard to Bill C-201, the so-called take-overs bill. I predict that we will see some more bits and pieces of legislation tossed out during the course of the summer in an attempt to make sweeter to the Canadian public what up to now has been a very unpalatable situation in the anticipation of the possibility of a fall election. Indeed, the context of an election must be considered in connection with all these matters.

In a constituency of the kind I represent, this type of bill is resented. In view of all the protestations of the hon. member for Winnipeg North Centre (Mr. Knowles) with regard to the social egalitarianism that he talks about, and his plan for an attempted redistribution of income, obviously he does not believe in the doers in this country. He believes in the non-doers. He neglects the fact that what makes this country go forward, what pays my salary, pays the minister's salary, pays the member's salary, and pays for all of the so-called income adjustments, is that section of the people who are the doers.

The hon. member speaks about a built-in welfare society. Those are the non-doers. We are building more and more of them into our society. If you want to find out about them ask the small employers who tried to get workers during the winter time. Ask the ranchers if these people would accept employment in the winter time. They prefer to draw unemployment insurance.

Mr. Gleave: Never mind the winter, just try it in summer time.

Mr. Lambert (Edmonton West): This is the non-doer mentality. All of us have a certain amount of non-doism in our makeup. We have a certain reluctance to get out and scratch. It is much easier to sit back and receive than to get out and produce. Yet the hon. member for Winnipeg North Centre would seem to favour the non-doers in this philosophy that he has, that presumably is shared by his party, when he says that the product of the doers must be shared, and to the point of equality, with the non-doers.

Mr. Peters: Aren't they just the kids?

Mr. Lambert (Edmonton West): This statement was not limited to the kids. This was the total philosophy expressed by the hon. member. I am not worried about this particular bill. I am concerned about the policy of social egalitarianism that was propounded this afternoon as being righteous and the epitome for Canadian society. This I disagree with fundamentally.

• (2010)

There are those people who will work longer hours, who will suffer from high blood pressure and who will face the problems of meeting payrolls and holding inventories. These people will work harder on their farms and in their businesses in order to get ahead. I am talking of the man

who might be an ordinary plumber but decides that he wants to start his own business. He may hire another fellow and ask his wife to work with him, and together they will build up the business.

These are the doers, Mr. Speaker. And what do we do to them? We take away their incentive. We tax them too heavily. We say, "We shall take the money you have accumulated and spread it evenly." No philosophy more false has ever been expounded in the free world. Yet this is what the hon. member was propounding. And what the minister proposes in this bill is not contrary to that philosophy. There is, in an artificial sense only some separation between his ideas and those of the hon. member. Of course, the minister in this proposal includes an income test and the hon. member for Winnipeg North Centre (Mr. Knowles) protests this; but I have not heard him protest the income test applied under the guaranteed income supplement.

Mr. Knowles (Winnipeg North Centre): But I have protested repeatedly.

Mr. Lambert (Edmonton West): Under the guaranteed income supplement there is an income test.

Mr. Knowles (Winnipeg North Centre): There should not be one.

Mr. Lambert (Edmonton West): The hon. member says there should not be one. In other words, I suppose pensions can rise without limit in the process of redistribution of income. At least he is consistent. However, he suffers from schizophrenia when he views other programs. Does he not think that under the student loans plan, for example, there should be an examination of the resources backing up the student? But there is such an examination, and rightly so.

Under the war veterans allowance program there is an examination; the means test is there and the principle is acceptable. It is acceptable in many provinces with regard to medicare and forgiveness of premium charges. That principle applies in many provinces and discriminates in favour of those who are over 65; they need not pay any medicare premium. Therefore, there is no universal rejection or approbation of a means test or income test. These tests are here in living colour!

Under this program the minister says that there shall be a means test or income test to determine the family's entitlement. As I said in my speech on second reading, there is some inconsistency here because there is no allowance to make up for the child care allowance. Why was not that deducted from family income in this instance? It is deducted under the Income Tax Act. Surely we must be consistent, Mr. Speaker. As I said before, the minister will rue the day—mark my words—when he first agreed to this measure under which he shall set up a huge bureaucracy. I am not talking about any individuals who are concerned; I am talking about the machinery.

Even if the act were to come into effect this summer, benefits could not be paid under it until next March or April. Why? Because all parents or all persons who might claim benefits under the plan must register. They must set out their income in the base year, the year prior to the coming into force of the act. That registration form must be checked out. The hon. member wonders about this. He objects to the means test. How will this income be checked out? Will the investigation be perfunctory? Will an inspector check the application? How are the minister's monitors or inspectors to check out these claim forms?

If the scheme were set up negligently, if it were found that officials had been careless in administering the system and that claims had been checked only perfunctorily, and if it were found through a perusal of next year's Auditor General's report that there were vast overpayments, the minister would be pilloried in the House and he would merit every word of criticism. On the other hand, what will the public say if the minister's monitors, in checking these applications, enter each home involved and ask questions? For instance, let us say they go to the home of the hon. member for Timiskaming (Mr. Peters).

Mr. Peters: The hon. member is flattering me. I do not think we will have any children; we are past that stage.

Mr. Lambert (Edmonton West): Then let me talk about the hon. member for Athabasca (Mr. Yewchuk) who has three young children eligible for family allowance. Let us say the officials enter his home and ask him and his wife, "Is this a true statement of your income?"

[*Translation*]

This, Mr. Speaker, is the "Great Visitation" by representatives of the minister.

[*English*]

In other words, every home in which there are children will receive a visit from on high and the visitor will check out the representations made in the application. Will the public accept this? People are used to the family allowance scheme that has operated since 1945. For 27 years the government accepted the registration of a child when it was born—

[*Translation*]

Mr. La Salle: Is it the income tax return?

Mr. Lambert (Edmonton West): No. The hon. member for Joliette is asking whether it is the income tax return? No, it is not, because this plan includes the wife's income. It is the income of both spouses. This does not show at all in the taxpayer's return.

Mr. La Salle: Everybody makes an income tax return.

Mr. Lambert (Edmonton West): No, not necessarily. The hon. member should know that the wife is allowed a certain minimum income.

Mr. La Salle: Can it be claimed?

Mr. Lambert (Edmonton West): Yes, but it has to be examined.

[*English*]

Child care allowances, under these particular circumstances, are not to be allowed. They are not to be exempt; they are to be included in family income along with unemployment insurance. Neither is there any exemption of welfare; that too is part of income. Mr. Speaker, this is

going to be the grand inquisition but we are being asked to foist it on the Canadian public.

[*Translation*]

Mr. Speaker, may I ask the hon. member whether he is prepared to sell his patrimony for only a few dollars?

Mr. La Salle: No.

Mr. Lambert (Edmonton West): Is it worth it, for an increase of only $15 to $20?

Mr. La Salle: Go and ask those who need money.

Mr. Lambert (Edmonton West): The hon. member can make a speech later. In my opinion, it is not worth it. Not at all.

[*English*]

I want to return to the central theme and purpose of my remarks tonight. The hon. member for Winnipeg North Centre has put forward an amendment. He wishes to eliminate any means or income test. To the extent that the payments might be subject to income tax, we would support the amendment. After all, the Canadian public has some stake in this. Unfortunately, too many people in discussing government projects, laws and proposals, think the Canadian people can be kicked, can be pushed, can be prodded; they think anything can be done to them.

Mr. Peters: Not us.

• (2020)

Mr. Lambert (Edmonton West): The hon. member for Timiskaming (Mr. Peters) says, not us. I just want to go over some of the proposals he and his party put forward in this House. The Canadian public would have been in a straightjacket had they been accepted. They would not have been able to blow their noses without your permission.

This is another in the category of "big brother knows better" proposals; he will run the Canadian people. I suggest that the Canadian public not only has had a bellyfull, but has had it right up to the eyes with government interference with their rights. I have talked to my constituents. They are worried about this bill because they will have to make one more annual accounting to government inspectors. What are we running? Is this to be a sort of prison society?

Some members may say I am exaggerating, but I lived three years in a type of society where someone else did the thinking and I did the reacting. That was in a prisoner of war camp, and perhaps it was a traumatic experience. I apologize to hon. members if I am over-sensitive. However, there is no way any member of this House can convince me that I have not got the right to make up my own mind. If I want to act foolishly that is my privilege, as long as I do not injure my neighbour. How deficient in recognizing this right so much of our law is. On the other hand, I recognize the public interest and I must not injure my neighbour. I will recognize a paramount public interest in that my actions in labour disputes and so forth shall not transgress that greater public interest. However, when it comes to matters of this kind, I say the state does not belong in my home. That is why I dislike this bill intensely.

I fully agree with the change; it has been the philosophy of my party for a number of years. This bill is part of a re-examination of our whole welfare structure in order to put the emphasis where it is needed. We should put our funds, and the good Lord knows they are limited even though my friends to the left think they are unlimited, where they will do the most good. If a man needs two blankets, it is no answer to give him and another each half a blanket. All too often this is what we do. I look at the whole government plan. Within the family allowance plan, I will recognize the principle of universality to the extent that the allowance be paid for each child but when we come to the income tax that should be based on ability to pay. We may disagree with some of the details, but we agree that the criteria for taxation should be the ability to pay.

In the province of Ontario, the ability to pay is the basis of the program for grants to individuals with lower incomes. In order to recover this amount, those with the ability pay a higher proportion of sales tax, customs duties and so forth. We should be heading in this direction. The formula in this bill is a step out of pace with the general formula that we place our funds where they will do the most good. If the amounts are to be $15 and $20, I am quite prepared to accept that. However, I do not accept the minister's statement that those amounts shall be the net cost to government. By making the family allowance universal, those at the higher income level will pay an increased proportion of that allowance back to the government on the basis of their marginal rates. After all, we are doing that with unemployment insurance and the retraining allowance. We are making them repayable to government at the marginal rate of the tax payer, so why not here?

Some of my friends have a high income of $30,000 or $35,000 a year net. How do they do that? They work 16 hours a day, sometimes seven days a week. They have eight or nine children and they work like beavers. Even though these people pay a good deal of income tax, they would still keep 50 per cent of their family allowance. They do not feel penalized because, even though they have a large family, they work hard for their family. As such they must not be penalized. A city policeman does not consider that he is very high in the pecking order of wages. If he is earning $9,500, has a wife who is not working and two children, he does not get a thing. He will lose all the family allowance, so why not put it under income tax and leave him some of it? If we accept that principle, this is where it should be. We have the old age security, unemployment insurance, the retraining allowance and a number of other things under that head, so why not family allowance?

Mr. Peters: Will the hon. member permit a question? I agree with the hon. member's objection to the large support staff that will be necessary to supervise the plan set out in this bill. Therefore, is the hon. member in favour of the amendment which will eliminate this situation, but still leave the family allowance?

Mr. Lambert (Edmonton West): Mr. Speaker, the point is that this amendment does not say that the family income support shall be subject to income tax. If the mover of this amendment will assure me that the allowance is to be subject to income tax, I will support it.

Mr. Knowles (Winnipeg North Centre): For those in the middle and upper brackets, yes.

Mr. Lambert (Edmonton West): If it is within the framework of the income tax as it exists today, yes, I will support it. If I can be assured of that, as far as I am concerned, I will support the amendment.

• (2030)

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, we have before us tonight the 1972 edition of the family allowances or, as indicated in this bill, of the benefits in respect of children.

Clause 1 of the bill accurately states the range of this legislation regarding family income security plan. Clause 2 deals with definitions and we can sum it up as follows: this clause is important since it must be constantly referred to when considering the bill. For example "the base calendar year" means the year for which the family income is computed and on the basis of which benefits claimed are determined.

Moreover, subclause 2(2) contains a definition of a person's income for a calendar year, which is his income computed for income tax purposes minus death benefits paid under a pension plan.

It should be noted that, in accordance with the legislation, the family income to be considered for the family income security plan is computed by adding the income of both the father and the mother.

Clause 3 provides that benefits will be paid out of the Consolidated Fund in respect of each child less than 18 years of age who is maintained by a person resident in Canada. Should a province pay any benefits in respect of children between the ages of 16 and 18, as is the case with Quebec, then no benefits are payable to these persons by the federal government if the latter provides tax abatements in this regard to the province.

How will the amount of benefit be determined? This is dealt with in clause 6 of the bill which is unquestionably the most important and most complex of them all.

First of all, monthly benefits of $15 for children less than 12 years old are provided. There are also monthly benefits of $20 for children aged 12 or more but under 18.

As clause 6(1)(*a*), (*b*) and (*c*) indicate, there is a ceiling on the income of families. And when the family income is equal to or over that ceiling, the allowances decrease insofar as children are concerned and become nil according to the income or the number of children.

Now we come to the most interesting part of the scheme: the computation formula. In the case of an only child, the amount of the allowance proposed by the minister—$15 or $20—will be reduced by 33 cents for every $100 over the family income of $4,500.

When there is more than one child, in order to understand the computation, the basic income eligible must be added, namely $4,500 plus $500 per child in excess of one to obtain the basis of the computation. Then one has to proceed as I outlined above in the case of an only child.

Here is an example, Mr. Speaker, to show what boat we are getting in. Let us suppose the case of an only child. The family income is $6,000; by subtracting the allowed income of $4,500, one gets $1,500. Now as the rate decreases by 33 cents for each $100, there would be a decrease of $4.95. The allowance for a child under 12 would therefore be $10.05

In the case of children from 12 to 18, the $20 allowance would be reduced to $15.05.

Mr. La Salle: That is easy; you managed to figure it out.

Mr. Fortin: Mr. Speaker, the hon. member for Joliette (Mr. La Salle) says the calculation is easy since I managed to figure it out. I recognize that I did, but I owe my thanks to the research service.

But, Mr. Speaker, the citizen s of our riding will never be able to manage that complicated calculation.

If a family with two children has an income of $6,000, the basic income will be $4,500 plus $500, that is $5,000. The hon. member for Bonaventure-Îles-de-la-Madeleine (Mr. Béchard) should listen: he would learn something! In that case, the allowance would be reduced by $3.30, that is 10 times 33. The allowance for a child under 12 would therefore be $15 less $3.30, that is $11.70, and for the child between 12 and 18, of $20. less $3.30, that is $16.70.

Such is the calculated munificence of the government! Instead of paying a universal benefit for all children, the government is basing it on income.

Let us consider the case of a family with four children, Mr. Speaker. Since up to now some members have been unable to understand I will quote them more figures. They should listen and wait afterwards to make jokes.

In the case of a family with four children, since the allowable income is $6,000—that is $4,500 plus 3 times $500 or $1,500—the basic benefits will be $15 for each child under 12 and $20 for each child from 12 to 18 years of age.

If a family has 5, 6, 8 or 10 children, the benefits will be the same because they will have reached the maximum amount.

For an income of $8,000—Mr. Speaker, I always expect to be called back to order because my speech does not deal with family allowances but with mathematics—the following computation is made: $8,000 less $4,500, that is $3,500. The decreasing rate is 33 cents for each full $100, so the reduction will be 25 times 33 cents or $11.55 The benefit for a child under 12 will be $15 less $11.55, that is $3.45.

• (2040)

It may have cost $50, $100 or $200 for public servants to make the calculations, to print the forms, to mail and return them because of mistakes, etc., in order, finally, to pay only $3.45.

For a child between 12 and 18, the allowance will be $20 minus $11.55, or $8.45. For two children, and a family income of $8,000, the maximum income allowed is $4,500. If $500 is added it makes $5,000. So, $8,000 minus $5,000 makes $3,000. Let us multiply each $100 by 33 cents and we get $9.90. The allowance will be $15 minus $9.90, or $5.10, a very generous allowance from this government as a reward to a couple for having earned $8,000 in one year. For children 12 to 18, the allowance will be $20 minus $9.90, or $10.10. That is the reward that this couple is getting for having worked.

For a family of 4 children with an $8,000 income, if you make the famous calculation, $4,500 plus $500 multiplied by 3, or $6,000, then substracted from $8,000, you get $2,000. Twenty times 33 cents make $6.60. So, for a child under 12, the allowance will be $15 minus $6.60 or $8.40. We go backwards instead of forward. For children 12 to 18, if $6.60 is substracted from $20, the benefit amounts to $13.40.

I have in mind another case, Mr. Speaker. This one is a little more serious. I am thinking about the minister's "jokes". Here is a real and not so funny case. The husband's income is $6,000 and he is entitled to benefits. Of course often on investigation he gets them. But he cannot make ends meet. Once food, housing, clothing and care are paid for with $6,000 and three children, it is impossible to manage financially. And Mr. Speaker, there are many Canadian families with a $6,000 income. I will call to mind the Croll report on poverty. This will give you a good idea of the situation. A couple with three children cannot live.

So the husband and wife talk things over. They try hard to find a solution and the wife says: there's no choice; I must find a job. This happens often also. The wife decides therefore to go to work if she can find a job of course. Let us say that she is paid $4,000. This is quite reasonable. My colleagues agree on $4,000. That means they have just lost their family allowances. With $6,000, that couple cannot make ends meet. They decide to make sacrifices, to divide the family in some way, making immense sacrifices to make ends meet and bring up their three children, and because the wife is working, because she has earned an income, she will be rewarded by the loss of family allowances.

That, Mr. Speaker, is the system the minister wants to force on us tonight. It is a negative system, whereby the more you try to help yourself, the harder you try to get along and improve your own lot, the less assistance and the more kicks in the pants you get from the government.

However, the government does not forget to give fantastic fiscal advantages to both Canadian and foreign corporations. And they call that a "just society." To my way of thinking, family allowances, or benefits paid regarding children, mean financial assistance to the family, for the maintenance of children. I consider them as a calculated handout. They should, instead, be a spontaneous gift from the government, without selfish motives, without complications, without civil servants and without confounded bureaucracy. Let them make a spontaneous gift to children and families, instead of discouraging them.

In other words, Bill C-170 proposes to increase benefits to $15 and $20 and administration costs will be as high as the benefits paid.

Mr. Speaker, the first point I want to make is this: These benefits will be based on the combined income of a couple during the year preceding the implementation of the act. Consequently, this will cause the following difficulties: the couple will apply for benefits as soon as the act is implemented. The first operation will be to complete forms, to compute their income on the basis of the year preceding the implementation of the act. They must send that information to Ottawa or to regional offices.

When those forms are received, they will be fed into the government's IBM computers.

An hon. Member: Thirdly—

Mr. Fortin: Thirdly—the hon. members seem to be interested because they realize as I do that this involves several operations. The civil servants and the computers will study the application. They will wonder whether mistakes have been made. And what will they do? The minister did not mention that.

An hon. Member: This is hypothetical!

Mr. Fortin: It is hypothetical but they will do it anyway. This is what the minister is trying to hide.

They will check the income tax return of the couple for the previous year for any mistake. If there is no error, after the complicated computations I have just mentioned—and I saw you were quite bored by them, Mr. Speaker—the families will finally get $5.90, $6.20 or $9.38, etc.

It will have been necessary to go through a large number of bureaucratic operations so that a mountain could give birth to a mouse.

Every time there is a change, upwards or downwards, in the income of one of the spouses, the couple is going to have to submit a new application and every time the bureaucrats are going to change the $5.30 payment to $5.90 or to $4.30, as the case may be.

Mr. Speaker, what is being established here is a bureaucratic monster.

Mr. Corriveau: As you were saying, with the guaranteed income supplement, there should not be any problems.

Mr. Fortin: Mr. Speaker, I am becoming most annoyed with the interruptions of the hon. member for . . . What is your constituency again?

Mr. Corriveau: Frontenac.

Mr. Fortin: Frontenac. I wish the hon. member would rise and make a speech, but would he please cease interrupting me. If he is not man enough to rise, let him at least be quiet and listen to those who have the courage to make speeches.

The Acting Speaker (Mr. Laniel): Order, please. I would invite hon. members to co-operate with the Chair in order to allow the hon. member who has the floor to continue his speech. I will also take this opportunity to remark that at present there are several conversations going on on both sides of the House, which makes it difficult for the

Chair to hear the remarks of the hon. member who has the floor.

[*English*]

I also invite hon. members who are undertaking private conversations to do so either behind the curtains or in very low tones in order that the Chair may hear the hon. member who has the floor. The hon. member for Lotbinière (Mr. Fortin).

[*Translation*]

The hon. member for Lotbinière.

Mr. Fortin: Thank you, Mr. Speaker.

Concerning family allowances, the government wants them to be based on family income, whereas they should be based on the needs of the child. I would like to explain this to the minister. If they agree that family allowances, that payments made in respect of children, have to be based on family income, the minister and the government recognize the existence of a problem with family income security.

If this is the problem, Mr. Speaker, rather than have the mountain give birth to a mouse, rather than increasing allowances to $15 and $20, let us establish a guaranteed income for every Canadian, and problems will be over. Instead of doing this, and in order not to maintain the present level of allowances, which is ridiculous, what does the government do? It bases its payments on the income of the parents, and completely forgets about the children.

• (2050)

Mr. Speaker, I claim the government's plan will help neither the children nor the families; it will simply confuse them; it will simply entail more red tape in Ottawa and in the regional offices.

This administrative red tape already gobbles up millions of taxpayers dollars.

Mr. La Salle: And distributes them to those who need them.

Mr. Fortin: I would refer the hon. member for Joliette and his friends to the booklet "*How Your Tax Dollar is Spent*", 1972-73 edition. It is outstanding; one learns unbelieveable things in it, Mr. Speaker. For instance, we are told about the cost of administering the health and social security programs in Canada.

The problem, Mr. Speaker, is not one of ensuring social security or income security to the civil servants but of ensuring an income to the Canadian citizens, to the underprivileged, to the needy. That is the problem.

But here is something still more serious: up till now the family income was something secret, something sacred. Someone living at 30 Roger Street, for instance, did not know the salary of another person, of his neighbour on the same street, unless the latter divulged it. But as soon as this benefit system for children is set up one will only have to say how much he receives in benefits for the other person to know automatically his income or that of his spouse.

Mr. Speaker, in my opinion, the government is placing people within a spying and mutual distrust system. I claim

[The Acting Speaker (Mr. Laniel).]

that this is further evidence of the weakness of this legislation.

Why do we have to introduce a 24 page bill creating so much red tape for so little? Why not give directly to the child, his parents or his guardian, regardless of tests? The answer is quite simple: The Liberals who established the plan in 1945 recognizing universality deny it today and will pay those benefits to certain groups of individuals. Therefore, Mr. Speaker, the famous selectivity concept is established.

Mr. Duquet: It is matter of justice.

Mr. Fortin: In short, if an individual has an income under $10,000, he receives more or less and has to complete forms. If the family income is over $10,000, as a reward to the working couple, all familly allowances are cut off.

Mr. Speaker, a family whose head earns $10,000, $11,000 or $12,000 a year, and which has 5, 6 or 7 children will not get a penny in family allowances.

A family whose income is $12,000 and which has 6 or 7 children will find itself penalized because it has worked too hard or has too many children.

I would like to end my remarks here and say that I object to this bill. I strongly oppose the principle of selectivity. In my view, it is not up to the government to determine who has a right to live in Canada; the government must ensure that everybody has the right to live in Canada.

Mr. Speaker, selectivity is therefore a monstruous and unthinkable concept; the government has no right to pester people like that, and its first moral obligation is to support efforts made by Canadians.

It is not only in that field that we are negative, Mr. Speaker.

As I was saying a while ago, if the head of a family who earns $6,000 cannot make both ends meet his wife will look for a job. Afterwards this couple will receive $10,000 and, as a reward, will lose their family allowances.

Mr. Speaker, at least two answers can be handed me in this regard: the wife should not go to work and all the government has to do is to set up the income security plan. It will have to do it because either this couple cannot make both ends meet, or they earn a sufficient amount of money to do without allowances.

Therefore, Mr. Speaker, if this second proposal is justified, the hon. minister should not lower the eligibility age but rather the amount of eligible income. One can easily see that this is a stupid reasoning. Therefore the principle of selectivity based on the combined income of husband and wife is meaningless.

There is another thing that one must keep in mind: that is, a child of a family whose income amounts to $4,000 should be entitled to the same rights as the child in a family whose income amounts to $10,000. The child in a family whose income amounts to $10,000 must enjoy, if all Canadians are equal, the same rights as the other one, whose family is poorer. The government may say that it means a waste of money. Its tax policy—which is

described in 190 pages—will easily compensate this by taxing the people. There is no problem here. Our tax experts can find enough money to pay for these benefits. Let us recognize at least this basic right to every child in Canada.

Mr. Speaker, the minister should not bring in a negative bill which discourages the individual, but rather a positive one. The bill now before us is ridiculous! To be entitled to allowances, we must revamp our whole welfare system, in order to arrive at a meaningful and positive overall policy.

As to the welfare allowances, Mr. Speaker, the less a man works, the less he helps himself; the more he abides by officialdom, the more he bows before officials to get his public assistance, the more he gets. The more he tries to help himself, the more he tries to work, to find a job or to perform a small job of some sort to add to his income, the lower the welfare allowances. Governments will then say that people are lazy. And the same governments have established those negative programs which discourage the individual. The law says: the less you help yourself, the more money you get.

As to unemployment insurance, the first condition to get benefits is not to work. That is very positive. That is ridiculous. The second condition is to be available for work. According to the law, what does the expression to be available for work mean? It means a man remains at home, does not limit his availability to one city and is ready to accept any job anywhere in Canada. In any event, the person knows no one will call and waits for the unemployment insurance cheques. These will even be paid for up to 51 weeks.

Mr. Speaker, on examining the FISP legislation, one sees it is well drawn up. The same goes for the bill on family allowances. Close examination of the unemployment insurance act also under which up to $90 or $92 a week are paid the unemployed, reveals that it too is well drawn up. But if we study them together within the social security system in Canada we realize that the basic philosophy of those various bills which are intended to improve the lot of Canadians is negative, so that more and more Canadians depend on the various governments to live and survive, when the opposite should be true.

Mr. Speaker, an ever increasing number of Canadians are living off a decreasing working minority and, according to the new bill passed by the House, from now on the middle class will pay for others and through the nose.

In this regard, socialists say: Take some away from the rich, and give it to the poor. That is exactly what the minister does with this bill. He says: Take some away from the rich—$10,000, and God knows that is not much in Canada in view of the constant increase in the cost of living—and give it to the poor. This is a socialistic bill, Mr. Speaker.

The government will then tell us: Let us establish a just society where each citizen can live freely, enjoy security, and grow to full maturity in his own country. It is perfectly ridiculous and inconsistent.

Mr. Speaker, I urgently request social measures to guarantee income security to each Canadian citizen without any red tape or investigation so that he will automatically receive his benefits as his share of the national production which reaches $100 billion a year. A bare minimum should be provided for each Canadian citizen and we should refrain from harassing him. I have enough confidence in my fellow citizens to know that they will make way and not live off the fat of the land.

Mr. Speaker, in concluding I will point out that this bill brings up the entire philosophy of the government on social security legislation. I say to the minister that I will vote against his bill because it is one step closer to socialism, a measure which will annoy people and create huge problems with forms, paper work and red tape. What will the bill provide in the long run for the people?

* * *

[*English*]

BUSINESS OF THE HOUSE

ADJOURNMENT OF DEBATE ON BILL C-170—ORDER OF GOVERNMENT BUSINESS

Mr. MacEachen: Mr. Speaker, I have had discussion with members on all sides of the House and I think it might be useful to switch our discussion to a number of matters on which there is greater chance of agreement. I would therefore move that this debate be adjourned. But before making the formal motion I would indicate to the House that if the motion is agreed to we shall call the bill in respect of the Pension Act, for report stage and third reading, then the bill on the Farm Credit Act.

• (2100)

Since my discussion with members on the other side of the House, the Parliamentary Secretary to the Minister of Justice (Mr. Béchard) has indicated that there may be a disposition to pass, without discussion, the bill to change the names of the territorial courts. If that were agreeable we could call it after the Pension Act; however, if it is not agreeable I should like to know before we do so. With those comments I should like to move the adjournment of this debate.

The Acting Speaker (Mr. Laniel): Order, please. It has been moved by Mr. MacEachen, seconded by Mr. Laing, that the debate be adjourned. Is it the pleasure of the House to adopt the said motion?

Motion (Mr. MacEachen) agreed to.

Mr. MacEachen: Mr. Speaker, perhaps you would call government order No. 40, report stage of Bill C-215, to amend the Pension Act.

* * *

PENSION ACT

AMENDMENT TO INCREASE NUMBER OF COMMISSIONERS AND AD HOC COMMISSIONERS

The House proceeded to the consideration of Bill C-215, to amend the Pension Act, as reported (without amendment) from the Standing Committee on Veterans Affairs.

Hon. Arthur Laing (Minister of Veterans Affairs) moved that Bill C-215, to amend the Pension Act, as reported

(without amendment) from the Standing Committee on Veterans Affairs, be concurred in.

Motion agreed to.

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

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we have agreed not to debate this bill at this stage and we shall stand by that arrangement. May I ask the minister just one question? Is he, or is he not, concurring in the recommendation made unanimously by the veterans affairs committee that the number of ad hoc commissioners be increased by another five?

Hon. Arthur Laing (Minister of Veterans Affairs): Mr. Speaker, in speaking to this bill I do not wish to take more than a couple of minutes. I had to make a judgment as to whether the additional members totalling seven could do the job of clearing up the 8,000 cases we have ahead of us, and I have made the judgment that they can. I wish to voice my appreciation, because this may be the last few remarks I make in this House, of the work of the Standing Committee on Veterans Affairs. The thought has been prevalent, I believe, on all sides of this House that a man or woman who offers his or her life for this country is a rather special person. That has been the attitude of the committee on veterans affairs all the way through. I hope that it continues in the future.

This bill pertains to the clearing up of a backoog of cases, and it is my opinion that the additional seven persons will obtain that result.

Some hon. Members: Hear, hear!

Mr. Stanfield: Mr. Speaker, if I do not eulogize the minister for half an hour I hope he will not think I do not appreciate the service he has rendered to the country.

Mr. Knowles (Norfolk-Haldimand): Mr. Speaker, I rise simply to say that I concur in what has already been said. We on this side of the House agreed to go along with the minister's amendment to this legislation. I want to commend the minister for taking the action he has. I should also like to echo the sentiments expressed by the hon. member for Winnipeg North Centre (Mr. Knowles) about getting the question of the basic pension rate before the committee at the earliest possible moment.

In closing, may I pay tribute to the minister who has been with us for only a short time in veterans affairs. He has shown deep compassion and understanding for the plight of the veterans. While the increase in the number of commissioners will help in cleaning up the backlog, I think the minister should also keep in mind that representations were made to the committee that the lack of medical personnel was a factor in preventing the clearing of this backlog because of the need to obtain a medical opinion in these cases. I am sure the minister will pay particular attention to finding a way of bringing in more doctors. I might also point out that over the years we have suggested that the number of pension commissioners should be increased, and for that reason we are happy to pass the bill.

[Mr. Laing.]

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I thank you for giving us the opportunity of expressing our appreciation to the minister for what he has just said. We support the amendments he moved as well as the proposal to increase the number of members on the committee.

I take this opportunity to say to him that we also appreciate his work within the committee and that of his department, as well as his devotion to work for a category of such underprivileged people.

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

[*English*]

Mr. MacEachen: Mr. Speaker, before the next item is called, I believe there is an understanding that we could slip in at this point second reading of the bill to change the names of the territorial courts: there is no great issue or principle involved, and we might get it through. I would suggest that Your Honour call that item. I might mention that if this bill is given second reading it would be necessary to deal with it in committee of the whole.

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TERRITORIAL SUPREME COURTS BILL

CHANGE IN NAMES OF COURTS OF YUKON AND NORTHWEST TERRITORIES

Hon. Otto E. Lang (Minister of Justice) moved that Bill S-3, to change the names of the territorial court of the Yukon Territory and the territorial court of the Northwest Territories, be read the second time and referred to committee of the whole.

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

• (2110)

The Deputy Chairman: Order, please. House in committee of the whole on Bill S-3, to change the names of the territorial court of the Yukon Territory and the territorial court of the Northwest Territories. Clause 1 stands. Shall clause 2 carry?

On clause 2—*Amendments.*

Mr. Peters: Are both these courts now located in permanent quarters in their respective capitals? Has this been established, or is some territorial work still being done in Ottawa?

Mr. Lang: In both cases the quarters are in their capitals. I would not want to say whether they are permanent or final; there are some improvements to be made in the future. The general position is that the administration of justice is in the hands of the two territories, but we still appoint judges in these courts as we do in the case of the provinces.

Clause 2 agreed to.

Clauses 3 and 4 agreed to.

Schedules A and B agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

* * *

FARM CREDIT ACT

AMENDMENTS RESPECTING LOANS AND POWERS AND CAPITAL OF CORPORATION

Hon. H. A. Olson (Minister of Agriculture) moved that Bill C-5, an act to amend the Farm Credit Act, be read the third time and do pass.

The Acting Speaker (Mr. Laniel): Is it the pleasure of the House to adopt the said motion?

Mr. R. E. McKinley (Huron): Mr. Speaker, I thought last night that perhaps this bill might pass and there would be no further debate on it. However, I would like at this time to bring to the attention of the House some of the difficult problems that agriculture faces. The fact that the government has brought forward this bill is an admission on their part that there are serious difficulties in agriculture and that provisions must be brought in to assist people who engage in the production of agricultural products throughout the country.

On second reading we moved an amendment which was turned down by the government. It was brought forward in an attempt to provide incentives for young farmers who become involved in agriculture, to initiate better programs to enable young people to get started, and to assist those people whom the government is trying to remove from the farms. We believe that incentives should be given to young people to stay on the farm.

This bill provides a little more money. The amount of $56 million has been increased to $66 million in the financial resources of the Farm Credit Corporation. I believe this was done in recognition of the fact that more money is needed to help young people stay on the farm and to assist those engaged in farming to carry on. The bill also provides that loans will be granted to facilitate efficient operation of a farm. Under the present act, loans are available only if the money is necessary for efficient operation. I must admit that this is a move in the right direction—away from negative, last resort aid, to more positive help. This seems to be action taken before last-ditch efforts become necessary. Any move in that direction will, I am sure, be a good thing for the agricultural industry.

Also, under this bill loans will become available to persons under 21 years of age. Previously they were not able to obtain loans, but this legislation brings the age requirement down to 18. In addition, farm improvement loans which are available through the banks can now be obtained without a prior commitment from the Farm Credit Corporation. This seems to be reasonable and will provide money to those engaged in agriculture. It will cut down the red tape which so frequently exists in these matters.

Then in this bill the appraised value of land will include the productive value of a second non-farming enterprise that might be carried on by the same individual. I suggest

that this provision may not be all bad: it will be possible to get an increased loan on a smaller parcel of land. The amendments in this bill are good but in our estimation they are not good enough. We would have liked the bill to include a provision for partial non-repayment of loans when young farmers meet certain performance standards. Before anyone in the NDP jumps up and says young farmers would have to be perfect before qualifying, I would point out that "performance standards" simply means meeting the payments they agreed to meet when they obtained loans.

• (2120)

We also would have liked a provision in the bill that interest payments in the initial period of a loan could be delayed, so that a new enterprise could show some results in a financial way before a farmer had to repay large commitments. However, the government majority voted against us on that suggestion.

Some government members suggested that we would not support this bill. This is not true, Mr. Speaker. They seem to enjoy preaching throughout the country that we oppose for the sake of opposing rather than for the sake of being constructive. This is not true. The measures proposed in this legislation are not that bad, but we say they could be a lot better; and at second reading, committee stage, report stage, and now on third reading, we have endeavoured to improve the legislation. In the House of Commons our aim is to improve legislation. If government members complain that they have trouble getting legislation through the House, it is because government legislation has often been hastily brought forward, ill conceived, and has not served a purpose satisfactory to the people of the country.

I am disappointed that the government stood fast in upholding clause 1 of the bill, giving them all kinds of power, without offering any real explanation of how that power would be used. We voted on that matter last night. I am happy to say that I registered my vote against it.

There are all kinds of precedents for providing incentives to new borrowers. CMHC has provision for partial non-repayment of loans. During the last four years incentives have been provided to various businesses to start operations all across the country. The Financial Administration Act gives the government power to forgive a tax, penalty or debt, in particular cases. If housing and business can receive these incentives, why cannot agriculture have the same privilege? It is often said that what is good for business is good for the country. This was preached by the Minister of Finance (Mr. Turner) in his last budget. I suggest that what is good for the farmer is also good for the country.

The major industry in the constituency of Huron is agriculture. As agriculture goes, so goes the economy of Huron county. So long as I have the privilege of being a member of the House of Commons, agriculture and its betterment will be one of my first priorities. It is disappointing that the Minister of Agriculture (Mr. Olson) did not see fit to accept some of the amendments put forward by the hon. member for Mackenzie (Mr. Korchinski) and the hon. member for Vegreville (Mr. Mazankowski). Had he done so, this would be a much better bill.

The government seems to think that those engaged in agriculture are to be used only to produce cheap food, so that in turn industry may have a chance to export industrial products to other countries. This is not acceptable. If farmers received a profitable return for their products, it would have an expansionary effect all across the country. If the primary producers had dollars in their pockets, they would become purchasing consumers of the industrial products which provide jobs.

We also urged the provision of open-ended loans, that loans could be increased without going through all the red tape involved in obtaining the original loan. One report shows that of the $115.2 million in loans approved during 1970-71, $36.4 million went to repay existing loans. We do not disagree with the provision of additional money for loans to single family farm operations, up to the amount of $100,000; but if the government had listened to our suggestions this would be a better bill. We have offered good suggestions but the government has not listened to us.

• (2130)

We have offered suggestions of the type that would make the Liberal party popular, but they seem to feel that they know all, control all, can do all and are the only people who ought to govern. I suggest they had better start listening, for before long they will discover that what they think is not true.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, in my remarks on the third reading debate I wish to make three points briefly. First, we in my party feel that the small farms section of the bill is somewhat vague and we are under the impression that the government itself is not too clear as to what it wants in this regard. Second—and I am still talking about the first point—it appears there is some overlapping of provincial and federal jurisdiction. This applies especially to Saskatchewan. Apparently two acts, one federal and the other provincial, are concerned in the administration of similar types of programs. I have suggested this before but wish to repeat my suggestion now for the benefit of the Minister of Agriculture (Mr. Olson). If two, similar programs are to be run by two levels of government, then those governments should join hands and turn them into a single program.

Mr. Mazankowski: The minister is not here and does not care.

Mr. Thomson: We could thereby avoid duplication of costs.

Mr. Mazankowski: The minister is not interested.

Mr. Thomson: The minister may not be interested, but I am sure that the people of Saskatchewan and the rest of Canada who will be paying the shot for this program are very interested.

Some hon. Members: Hear, hear!

Mr. Thomson: In any event, I am sure the minister can speak for himself; he is pretty eloquent. I suggest to the minister that he should not rush in and implement these small farm provisions before he has worked out the details of the program with the provinces concerned, because we do not want duplication in this area. I am concerned about this and I hope he is.

Second, I suggest that the Farm Credit Corporation should look carefully at how much money it will lend against land of certain value. I am concerned about land values. Although I support that the corporation has done in the past with regard to farm credit loans, I feel that some actions of the Farm Credit Corporation tended to force up land prices. People have bid more per acre and values have increased. This has left some farmers in an awkward position. They have found it hard to repay loans. I want to emphasize this point.

Officials of the Farm Credit Corporation, along with farmers and governments, were getting very excited over the large wheat sales made to Russia and to China. This excitement was evident in my province. Consequently, some farmers when they bought land paid prices which were unrealistic. The Farm Credit Corporation helped them to pay these prices. I draw to the attention of the minister and Farm Credit Corporation officials that these farmers are not very happy. Some of them are behing the 8-ball, so to speak, and cannot meet their interest payments. This is a regrettable situation. That is not how we ought to use funds provided or subsidized by the government. I do not think anyone intended that to happen, but happen it did as a result of an oversight or error. I feel the Farm Credit Corporation was in error in this regard.

Third, I should like to emphasize again that not all agricultural problems are to be solved by lending money. It is sometimes thought that if farms were bigger they would become more efficient, that big farmers can produce barley for 64 cents a bushel and oats for 40-odd cents a bushel. I suggest that this is not necessarily so because factors other than borrowing are involved in farm economics. In other words, you cannot, in all circumstances borrow your way out of trouble.

Of course, those who need to borrow money will be helped by this legislation and that is its intent. However, let us not be carried away by the idea that we can borrow our way out of trouble. Price is important too. The minister from Saskatoon-Humboldt seems to think that an increased volume of sales will solve our problems. Volume is important, I agree, but price is also important. Mr. Speaker, those are the three points I wanted to bring to the attention of the minister.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, in view of the importance of this bill, I should like to say a couple of words about it.

Having had the advantage of sitting on the Committee on Agriculture for four years, I should like to say that this bill is of a very great significance and has definitely a very great value. In fact, this bill completes remarkably well the farm legislation that this government has passed during the past four years.

I know that in my riding, they have succeeded, through favorable farm measures, in stabilizing the dairy industry so that producers may derive a satisfactory income from it.

I think also of Bill C-176 which, thanks to the co-operation of the officials of the agencies concerned and of the provinces, will also bring forth quite interesting improvements.

And we are now considering Bill C-5 which will enable some agencies to take out loans in order to consolidate incurred debts following certain difficulties with some farm products. On the other hand, this legislation will enable agencies to make investment permitting them to operate a more profitable business.

It is clear, as the previous speaker said, that loans will not solve problems but I think that even so they are important for those who are thinking in terms of growth because we are now aware that expansion is absolutely necessary to enable the producer to get an adequate income and meet competition.

I would like to say a word about the repurchasing program regarding small farms. The minister's objective is fine but I am a little concerned about the bill. Discussions with the provinces, more precisely possible agreements with them regarding the program dealing with the management or repurchasing of small farms do not seem to have been completed. The minister has clearly indicated to the committee and in the House that he did intend to apply that program. How can this program be 100 per cent efficient if one, two, three or four provinces refuse to co-operate with the federal government? I think it is time to say it and I invite the minister to do his utmost to give evidence that this program is efficient and will benefit the provinces.

I should also like to invite the minister to show very great understanding about the provinces' priorities. It is something that we should respect. We know very well that on account of different conditions and mentalities, some provincial priorities are very different from those of the federal government.

I should not like to prolong my comments unduly, nor to insinuate that this problem can be settled without agreement. Quite the opposite, I have confidence in the understanding and ability of the Minister of Agriculture (Mr. Olson) and in view of his respect for the provinces I am sure he will manage to hold prior consultations with them and demonstrate that it is in the common interest to seek solutions resulting in suitable agreements while respecting provincial priorities, which the federal government might consider as difficult to accept. However, whatever the province involved the producers should not lose the great benefits which Bill C-5 nevertheless does provide.

Mr. Speaker, I have made these few comments merely as an appeal to the minister's consideration of the importance of respecting provincial priorities, without however neglecting the benefits of this legislation for any producer wishing to avail himself thereof.

[*English*]

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, in view of the time my comments will be brief. I want to make a couple of points before the bill is read the third time. My principal point is this: if the minister feels this bill will solve many of the problems of prairie farmers and others, he is mistaken. Basically, this bill does two things, one of which I am very concerned about. First, it gives additional power to the Farm Credit Corporation. That is in clause 1 of Bill C-5 which is before us, which provides:

• (2140)

> The corporation has all the powers necessary to carry out such duties or functions as may be assigned to it by the governor in council in relation to the administration of any agricultural program or as are assigned to it pursuant to any other act of the Parliament of Canada.

Under that clause we know that the minister's intention is to bring in through the back door the small farms development plan. I do not judge this to be democratic, I do not think it is what most people think of as parliamentary democracy about which members opposite talk so much. Many farm people in western Canada are very concerned about that program and the report of the task force on agriculture. I do not want to see this clause in the bill become the opening for the small farms development plan and many recommendations of the task force, especially without their being debated in this House. I say this very seriously because I know that most farmers are concerned.

I wish to read a short quotation from the statement made by the National Farmers Union when in Ottawa:

> The National Farmers Union has called for rejection of a government bill to amend the Farm Credit Act because it "is designed to move farmers off the land and move land out of agricultural production."

This is a fear of the farmers' union. In my opinion, and in the opinion of the hon. member for Saskatoon-Biggar (Mr. Gleave), our party's spokesman on agriculture, the minister has not given adequate answers to questions such as those raised by the National Farmers Union and others concerned about agriculture and rural life in this country. I think he should provide us with those answers. He should not use this bill as an excuse to bring in the small farms development plan which has many ramifications for the rural life style, farmers and those living in small towns and villages on the Prairies. Our small farms are being eliminated quickly enough. According to Statistics Canada, between 1966 and 1971 the number of farms in this country decreased by 15 per cent. The minister should seriously consider this. I believe that the members of this House who represent urban Canada take this fact very seriously.

Many members from urban Canada have a good understanding of farming and rural life, but many people have the mistaken conception that the farmer is not efficient. He is very efficient. Figures show that in the past 10 to 20 years, the farmer's efficiency has gone up at twice the rate of the non-agricultural sector. The farmer is very productive; he knows how to manage his affairs and business.

The problem is that in the past 20 years the farmer's income has increased by only 20 per cent while his costs have doubled. No wonder the farmer is being forced off the land. The price he receives for commodities such as wheat and eggs has gone down between 1950 and 1970 despite the rise in the cost of production. I could elaborate, but that in a nutshell is the problem facing the farmer. That is why I am very concerned about clause 1.

If the small farms development plan is to be introduced, it should be as a separate bill so that we, the people's

representatives who are concerned can debate the bill, move amendments and offer suggestions. If implemented, this move can change the life of many people in rural Canada and, indeed, in many of the urban centres in this country.

My second point is that this bill will raise the ceiling of borrowing from a maximum of $48,000 to a maximum of $100,000. This may be necessary in many cases, but the area of Saskatchewan that I represent is primarily comprised of small and middle-sized farms. Although a clause like this probably will not do any harm, it will not do much good. I recommend that the minister seriously consider subsidizing interest rates for small farmers. For example, on loans up to $30,000 there should be an interest rate of either 3 per cent, 3½ per cent or a maximum of 4 per cent. This would really help to keep the average guy on the farm, and would preserve rural Canada.

These are the points about which I am concerned. I am not satisfied with clause 1. I urge the minister to reconsider some of the ideas and suggestions put forward in this debate, as well as the suggestions of farm organizations, the National Farmers Union, the Federation of Agriculture, wheat pools and others.

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

Mr. MacEachen: Mr. Speaker, in the remaining few minutes we could call a short bill that I have been holding in the wings for some time. It might meet with the favour of the House. It is Bill C-203, to amend the Representation Commissioner Act. If we give this bill second reading it might be possible to then deal with it in committee of the whole.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

* * *

REPRESENTATION COMMISSIONER ACT

MEASURE TO PROVIDE AN INCREASE IN SALARY

Hon. Allan J. MacEachen (for the Secretary of State) moved that Bill C-203, to amend the Representation Commissioner Act, be read the second time and referred to committee of the whole.

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

On clause 1—*Salary*

Mr. Peters: Mr. Chairman, I would like an explanation from the government as to why this bill is being introduced. We are aware that there have been changes in other government departments and that probably this department has not kept pace because it is under a specific act. It is a rather unique kind of job that operates on a ten-year basis. If we pass this bill we shall, in effect, be providing one man with $400,000 for doing a job which has to be carried out only when a census is taken and the electoral boundaries are redefined.

[Mr. Nystrom.]

• (2150)

It seems to me that rather than make the change in the bill as proposed, we should relate the salary of this office to the salaries of deputy ministers, for example, in accordance with whatever criteria are used in those cases. The method used for making this change is similar to that used when we are changing our own salaries. In either case it does not meet with my approval. It is true this gentleman is in a unique position. No one is inclined to raise any particular objection to his salary or he might find his constituency going to Siberia and back.

I am not prepared to move an amendment, but it seems that we are making a long-term salary adjustment covering a ten-year period. If conditions continue in the future as they have in the past, the salary we are talking about today may end up being no more suitable than it was previously. We should consider arriving at an appropriate formula to cover the salaries of people such as Members of Parliament, the Auditor General, the Representation Commissioner and others in that category so that it will not be necessary to pick out individuals and make salary adjustments for them on a periodic basis. Their salaries would then be adjusted in the same way as those of senior officials in government departments.

Mr. Burton: Mr. Speaker, I am disappointed that this should be the only change being made in the legislation. There is some ground for advocating a wider review of the operations of this act. While I recognize that the motives for which the original act was introduced, the desire to take the redistribution of constituency boundaries out of the arena of politics, I believe it should be admitted that there are some shortcomings in the system.

Two changes are needed if we are to arrive at a basis. First, provision should be made to take into account representations from the public before the original set of boundaries is drawn by the provincial commissions. Once those boundaries are drawn, they tend to be fixed and it is difficult to secure meaningful changes. The second point is this and I present it as a personal view: I still feel that final responsibility for the approval of electoral boundaries must rest with the legislators of this country. They are the people who should take the final responsibility for any changes which are made.

Mr. MacEachen: Mr. Chairman, I do not wish to delay the passage of this bill but I should like to point out that in this particular year the Representation Commissioner will be engaged in the very heavy task of participating in the work of the ten provincial commissions. Shortly—as a matter of fact tomorrow, or within a few days—the governor in council will be making public, on the recommendation of His Honour the Speaker, the names of the ten provincial commissioners. The Representation Commissioner is, of course, a member of each of the provincial commissions: thus, he will be carrying a heavy burden. It is for this reason that we are proposing that his salary should be equal to that of the Chief Electoral Officer or, as it is stated in the bill, equal to that of a judge of the Federal Court of Canada. It would be unfortunate if we were to lose the services of a commissioner who had rendered such valuable service to the country as an official of Parliament.

Having said this, I agree with the point made by the hon. member for Timiskaming about the need to review the role of Representation Commissioner. The commissioner himself has indicated in testimony before the standing committee that some changes will have to be made because the burden of work in the off years is not great enough to justify the maintenance of the full-time services of any particular person, especially the present commissioner.

It is clear to me that some changes will have to be made, but it did not seem wise to introduce changes just as we were on the threshold of a major redistribution and because of my feeling that members of the House would wish to make use of the services of the most experienced man in the field. Having said this, I would certainly undertake that after the present redistribution the standing committee will have an opportunity to give immediate consideration to what permanent arrangement ought to be made in connection with this particular function. It seems to me the matter ought to be considered along the line of the suggestion made by the hon. member for Timiskaming.

Mr. Knowles (Winnipeg North Centre): Does the hon. gentleman feel he will be able to implement that commitment from this side of the House?

Clause 1 agreed to.

Clause 2 agreed to.

Title agreed to.

• (2200)

Bill reported, read the third time and passed.

* * *

BUSINESS OF THE HOUSE

Mr. Stanfield: Mr. Speaker, before we rise may I ask the House leader about the business for tomorrow? Is tomorrow to be an opposition day, or is the government insisting upon appropriating the day for its own purposes? If so, what is the business that the House leader will put before the House?

Mr. MacEachen: Mr. Speaker, tomorrow I propose to call the remaining items that have been on our list for consideration. The opposition will be king tomorrow because it will decide what will pass. However, I propose to try to get before the House the Canada labour bill as the first item, and I have not yet decided whether to call FISP or the foreign takeovers review bill following that. I shall be able to advise my hon. friend early in the morning which bill has been favoured for the attention of the opposition.

PROCEEDINGS ON ADJOURNMENT MOTION

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

Proceedings on Adjournment Motion

NATIONAL DEFENCE—ALLEGED INADEQUATE QUOTA FOR NEWFOUNDLAND IN PROVISION OF WORK UNDER STUDENT SUMMER EMPLOYMENT PROGRAM

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, on June 20 I asked the Minister of National Defence (Mr. Benson) a question regarding the summer student employment program which was part of the Opportunities for Youth program. The government had expounded the magnificence of this great program and announced that there would be 15,000 extra jobs created for students.

I realize that on the "late show" debate the answers we receive are dictated by the department, but before I receive an answer tonight from the parliamentary secretary I want to tell him that I do not agree with the answer he is going to give me. Out of these 15,000 student jobs this summer, 10,000 will be allocated under program No. 3, which relates to the regular student militia and reserve. This has been an ongoing program for many years although other new programs have been announced. This leaves only 5,000 student summer employment opportunities, which to my mind is not realistic.

In the province of Newfoundland, student unemployment is very high and the need for jobs there is greatest. Over-all, I agree with the student militia and ancillary programs; I think it is one of the good programs announced by the government. But it seems that the government does not give highest priority to areas of high unemployment.

Another thing that bothers me relates to program No. 4, which is citizenship and community assistance. Students in the militia are given jobs relating to community assistance, consisting of cleaning up projects and other tasks which employ them for the summer. In Newfoundland, 50 students have been allocated to this program so that in the capital city of St. John's, Newfoundland, a military tattoo can be held on Signal Hill.

This is another program that has been ongoing for many years. These people were taken out of the militia, which is under category 3, and shifted into category 4 under citizenship and community assistance. This means that the 50 personnel allocated to the one program were taken out of the military portion and put into another category which has nothing to do with the military tattoo. This leaves the province of Newfoundland with not one allocation under category 3. This surprises me because every other province has a good allocation and I wonder why the Atlantic region has again been left out.

I do not think the deadline arrives until July 10, so I would ask the parliamentary secretary to urge the minister to reconsider the situation. I have said on a number of occasions that this is one of the best programs the government has ever introduced. I commend the government for it. If it intends to put on a program, why does it tell the people of Canada it will involve a certain number when in reality in involves a much lower number?

In the community in which I live I have experienced 25 years of militia service and that service has allocated 50 people to this program. From information I have received, the allocation will now only be 30. If this is a good program for Canada, I do not think we should be told this is

what the government is doing when in fact there is no intention of carrying it out. This is a good program and it creates the opportunity of raising a bit of money in order that the students can continue their education.

It also creates the opportunity for building up our militia and reserve forces. I say this facetiously because the Minister of National Defence (Mr. Macdonald) and his predecessors for 25 years have been telling me at meetings of the Canadian Infantry Association that great things are happening in the militia, that we have a great bunch of officers and that the militia will do a great service for the country. Contrary to that, what has been happening over the past 25 years has been a steady deterioration of the militia. Certainly that is true of the militia in Newfoundland.

If the present policies are continued, it will not be long before the reserve forces become ineffective and eventually deteriorate to nothing. I ask the parliamentary secretary to pass on my representations to the minister, so that he will tell the militia officers who have performed great service over the years what is going to happen to the militia and whether this program is to be continued. Let them know what is going on, rather than telling them something of a negligible nature.

[*Translation*]

Mr. J.-Roland Comtois (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, before answering the question put by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), I would like to commend him for the great interest he is showing in the student summer employment program established by the Department of National Defence.

I am happy to notice that his interest is not limited to that field alone, but also includes the program that is now under way in connection with the militia.

However, before dealing specifically with the allegations of the hon. member, I think it would be useful to summarize the employment programs offered this summer by the Department of National Defence. As it was mentioned before, within the framework of employment programs established by the government to provide 70,000 students with a chance to work or to acquire experience, we provide supplementary employment for 15,000 students all across Canada.

It should be recalled that this program is in addition to the usual summer employment program for reservists and cadets, whereby valuable training is given to over 25,600 young people.

First of all the program involving civilian employees during a fixed period will supply work for some 2,000 students. These will be assigned to general clerical work, administrative tasks, food services, jobs as drivers or labourers.

The program for cadets, over and above the usual summer training program will involve about a thousand more cadets than formerly.

The training program for reserve forces has been substantially increased and it is anticipated that 10,580 students will benefit from it this year.

[Mr. Marshall.]

Finally, within the framework of the community assistance and citizenship program, some 2,400 students will be involved in community assistance programs, fighting pollution in all its aspects.

The hon. member would surely like to know what are the criteria for the distribution of jobs under the above-mentioned programs. Those criteria are as follows: the number and location of defence establishments; the work to be performed in such establishments; the educational capacity of each reserve unit and the experience acquired as the result of the previous year's program.

In Newfoundland, the summer employment program for students made 326 jobs available for .062 per cent of the inhabitants of that province. Apart from the number of cadets, those figures represent an increase of 26 jobs, that is a 14 per cent increase in comparison with past years.

The hon. member has asked that the quotas he reviewed, so that they may be fair for all provinces. We have complied with his request, using the same statistics as he did while making his computations. The results for each Canadian region are as follows: for the Maritimes, .102; for Quebec, .054; for Ontario, 0.55; for the Prairie provinces, .083; for British Columbia, .077—

* * *

• (2210)

[*English*]

INDUSTRY—REQUEST FOR ACTION TO PREVENT CLOSURE OF PORT MOODY PLANT OF CASCADE-DELTA BENCO COMPANY

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I being to the House tonight a very sad tale which unfortunately under this government has been replicated far too many times all over our country. My specific concern tonight is with approximately 150 employees of the Cascade-Delta Benco Company of Port Moody, in my riding, which plans to close its operation in the next three months and move its operation and manufacturing unit into the golden triangle of the Toronto area.

We in western Canada constantly decry the concentration of secondary and tertiary industry in central Canada, forcing the principal economic preoccupation in western Canada on primary resource and extraction industries. What we in western Canada are losing is an industry of tremendous growth and export potential at a time when western sensitivities are much aroused against the concentration of manufacturing in specifically one area of the country.

To understand completely the motivation behind the Cascade plant closure one must go back in history at least five years. Perhaps before we indulge in the flashback we should know that recently Cascade merged with Delta-Benco of Rexdale, Ontario, an 80 per cent British-owned firm which manufacturers a complementary line of cable television equipment to that of Cascade in my riding. But long before the merger it must be said that Cascade, which is a west coast firm managed by men who are pioneers in the cable TV industry, attempted apparently

without much success to secure federal government assistance in one form or another.

I am told that in spite of their access to the Department of Industry, Trade and Commerce, lubricated by Members of Parliament from British Columbia, all the management of Cascade got was the brush-off by the department. With an export record of between $1½ million and $2 million to the United States, and because of the quality of their product which is six months ahead of similar products anywhere else in the world, and unsurpassed, Cascade tried to interest the government in two basic ideas. Cascade asked for federal backing or guarantees on export sales of about 90 per cent in case the corporation in the foreign country declined to honour its indebtedness upon receiving the import from Cascade. This is neither a wild nor a particularly radical suggestion: it is done in many other countries interested in enhancing their export position.

Second, Cascade requested government backing in order to finance sales, both foreign and domestic, somewhat in the manner that large U.S. multicorporations in similar fields are able to do when a cable television distributing company wishes to use a certain manufacturer's product to wire a city or suburb. They need that kind of financing to advance the sale in this instance. But all Cascade got from the Department of Industry, Trade and Commerce was stony silence. They never met the minister, so far as I know, and I understand it has been suggested that the Cascade principals did not receive a better reception mainly because Cascade was, in the opinion of the Department of Industry, Trade and Commerce, under-financed in terms of equity capital and much too dependent on loan or debt capital.

With the decision to move the plant, all these details are really irrelevant when it comes to giving 150 jobs in my riding of Fraser Valley West. Some of the people who will be unemployed are undoubtedly subscribers to the same group of companies which owned Cascade originally before they merged with Delta.

What we must address ourselves to, I think, is how we might reverse this decision which was occasioned by a reported loss of something like $200,000 per year on Cascade's operations, regardless of the fact that CRTC foreign-ownership limitations of 20 per cent forced the CBS, an American firm, to divest its interest to the point where Cascade was required to scurry around looking for purchasers or a partner. We are dealing with people's lives and incomes—real people who live in my riding. I think this is the responsibility of a manufacturing industry to those employees who have employed their skills to build the reputation which the company currently enjoys. What we need right now, with government assistance, is to do these things immediately.

I make four suggestions: First, to apply the 90 per cent export guarantee to Cascade which was requested some years ago. Second, to assist in advancing the financing of foreign sales of Cascade's products through a financing mechanism which I suggested earlier. I am not asking for a loan. Third, a government underwriting, perhaps through a means such as DREE or in some other way, to ensure the ultimate profitability of this company which has great potential. Fourth, that we should consider under DREE, when you consider the 9 per cent unemployment rate in the lower mainland of B.C., some kind of special spot zoning assistance, especially for those companies outside designated areas and for those companies which have an important technological growth potential, even if they are located outside designated areas.

Mr. Jack Cullen (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, first of all I was asked by the minister to express his apology to the hon. member. He had intended to be here and was here earlier, but was called out on another assignment.

I am advised that his department is aware of the situation at the Port Moody plant of the recently merged Cascade-Delta Benco Company which is being phased out. Delta Benco Limited had originally intended to maintain the Port Moody plant, but due to its unprofitable operations it has reluctantly been obliged to concentrate all operations in its Toronto plant. The company is investigating the transfer of a number of its employees to the Toronto area. This decision will allow Cascade-Delta Benco to compete more effectively in the large U.S. market for CA-TV equipment, with greater benefit to the Canadian economy.

• (2220)

EXTERNAL AFFAIRS—REPORTED REQUEST TO GROUP VISITING QUEBEC HOUSE IN PARIS TO REMOVE CANADIAN FLAG LAPEL PINS

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, some time ago I asked the Secretary of State for External Affairs (Mr. Sharp) a question in respect of the regrettable incident which was reported in reference to the visit of Alderman Seguin of Hull to Quebec House in Paris, where the honourable alderman reported he was criticized vehemently by one Mr. Michaud, the cultural aide of the province of Quebec, for wearing a pin which was a replica of the Canadian flag.

The last thing I would like to do would be to exacerbate any tension among peoples in our country, but in my opinion the Secretary of State for External Affairs is the man who is responsible for the well-being and the welfare of Canadians abroad. It is the Secretary of State for External Affairs who issues passports for Canadians abroad and he, and he alone, is responsible for the welfare of Canadians abroad. While he might want to emulate his leader and shrug off a question such as was asked three days ago, I think it is not incumbent upon him, as the pre-eminent and most prominent member of the government in respect of external affairs matters, to shrug off these responsibilities and to say that it is a matter for the Premier of Quebec, or for any other provincial leader, to decide what should be done.

I think it has been clearly demonstrated, as was stated in this House by the illustrious former leader of the government, the Right Hon. L. B. Pearson, that in all matters concerning Canadians abroad, in all matters concerning the diplomatic expression of Canada abroad, it is the government of Canada and not the government of any province or any section of the country which must express itself.

In my opinion it is extremely important that when a Canadian is abroad—in this case it is alderman Seguin of Hull—he carries with him the passport of the government of Canada signed by and issued in the name of the Secretary of State for External Affairs who guarantees the good passage and good reception of that particular Canadian abroad. It is totally unbecoming of the Secretary of State for External Affairs, sardonically, absentmindedly or otherwise, to shrug off his responsibility. I know that he might want to emulate his great leader in terms of shrugging, but it is still the responsibility of the Secretary of State for External Affairs to look after Canadians who are abroad.

I say to you, Sir, and to the Secretary of State for External Affairs—who is not here tonight—that it is the responsibility of that distinguished officer to take note of the rights of Canadians abroad; and the rights of Canadians abroad, guaranteed by the Secretary of State for External Affairs, transcend any provincial office whether it be Quebec, whether it be Ontario or whether it be Atlantic Canada. This has been demonstrated. Mr. Pearson mentioned some years ago that the prime responsibility, diplomatically, resides with the government of Canada.

I would like to remind the Secretary of State for External Affairs, had he deigned to be here tonight, that this is his responsibility. He who issues a passport to Canadians abroad should stand behind that passport and guarantee the rights of the Canadian citizen abroad, so that that Canadian citizen be not subjected to the denigrating, humiliating circumstances which, regrettably, was the case when this very distinguished alderman from Hull visited Quebec House and apparently was told not to wear a Canadian flag replica because that was provocative to one particular province of Canada. This kind of thing is very conducive to disunion in the country.

I think any decent Canadian cabinet minister should assert himself in every way possible to exalt the rights of this dominion, of this country, and—as Mr. Pearson said—should remember that it is the country and not the province which is supreme.

Mr. Jack Cullen (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, although the subject matter of the question was somewhat belaboured by the hon. member this evening, this incident was reported this morning in the Montreal newspapers as a harmless and playful incident. I think the Secretary of State for External Affairs (Mr. Sharp) was done a disservice this evening, because he looked into the matter that the hon. member raised in his question. The Secretary of State for External Affairs addressed himself to this question in the House recently and noted that the Prime Minister of Quebec was reported to be looking into the matter.

As I understand it, the deputy premier of Quebec has now indicated in the Quebec national assembly that the remarks reported were not made in any official context and were, essentially, in jest. In view of this, I am gratified to note that in the Quebec government's view no slight was intended to the Canadian emblem. A press report on the incident notes that the Quebec provincial legislature thinks that this was merely a "harmless, playful and teasing cocktail conversation."

Motion agreed to and the House adjourned at 10.29 p.m.

HOUSE OF COMMONS

Friday, June 30, 1972

The House met at 11 a.m.

ROUTINE PROCEEDINGS

COMMITTEES OF THE HOUSE

PUBLIC ACCOUNTS

Third report of Standing Committee on Public Accounts—Mr. Hales.

PROCEDURE AND ORGANIZATION

Second report of Standing Committee on Procedure and Organization—Mr. Blair.

[*Editor's Note: For text of above reports, see today's Votes and Proceedings.*]

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HOUSE OF COMMONS

MOTION FOR ADJOURNMENT

On the order: Motions.

June 22, 1972—The Prime Minister:

That, when the House adjourns following the Royal Assent on June 30, 1972, it shall stand adjourned until a time fixed by Mr. Speaker, at the request of the Government, when the House may meet for the purpose of the giving of Royal Assent to any bills that have not been given Royal Assent;

And that, after the giving of Royal Assent to any such bills or in the event the House does not meet for that purpose, the House shall be adjourned or stand adjourned, as the case may be, until September 28, 1972, provided that at any time prior to that date, if it appears to the satisfaction of Mr. Speaker, after consultation with the Government, that the public interest requires that the House should meet at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time;

And that, in the event of Mr. Speaker's being unable to act owing to illness or other cause, the Deputy Speaker or the Deputy Chairman of Committees shall act in his stead for all purposes of this order.

Mr. MacEachen: Mr. Speaker, perhaps I might rise on a point of order to inform the House that it is not our intention to call this motion at this point in our proceedings. We would like to see it stand for the time being. I have had discussions with the opposition House leaders and I am seeking authority to be in a position to call the motion later in the day at four o'clock. We hope that circumstances will make it possible at that time to call this motion and adjourn at that time.

Mr. Speaker: Is this agreed?

Mr. Baldwin: Agreed.

Mr. Knowles (Winnipeg North Centre): Agreed.

Mr. Speaker: It is so ordered.

* * *

TRANSPORT AND COMMUNICATIONS

MOTION FOR CONCURRENCE IN FOURTH REPORT OF STANDING COMMITTEE

On the order: Motions.

June 28, 1972—Mr. McKinley:

That the Fourth Report of the Standing Committee on Transport and Communications, presented to the House on Wednesday, June 21, 1972, be concurred in.

Mr. Bell: Mr. Speaker, this motion should stand because of promised government action when we return in the fall.

Mr. Speaker: Stand.

Mr. Jerome: On a point of order, Mr. Speaker, in accordance with the undertaking I gave the House on Wednesday we have a number of written questions that can be answered today. Therefore I would seek the consent of the House to call written questions at this time.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

UNEMPLOYMENT INSURANCE COMMISSION—BOARD OF REFEREES

Question No. 42—**Mr. McBride:**

Does the government intend to request that the Chairman of the Unemployment Insurance Commission's Board of Referees request that a person making an appeal against a UIC ruling appear in person more frequently than has been the practice to date in order for the Board of Referees to question the appellant in person and thus arrive at a better informed opinion and a fairer judgment?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Yes, adequate action has been taken in this connection.

Questions

ENGLISH LANGUAGE TRAINING COURSE

Question No. 57—**Mr. Schumacher:**

1. Since the inception of English language training for federal civil servants, to date, by department, how many civil servants have (a) enrolled (b) completed (c) dropped out or failed?

2. By department, and in each case, what was (a) the nature or type of course (b) the duration of the course (c) where was each class held (d) what was the cost involved?

3. By department, what position was held by each person enrolled?

4. What costs were involved for (a) transportation (b) accommodation (c) living expenses (d) wives or families (e) relocation of households?

5. By department, and in each case, how and for what reasons were candidates for such courses chosen?

6. By department, and in each case, who was responsible for the selection of candidates?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I have been given the following information by the Public Service Commission. Information is not available to provide an accurate answer to this question and the necessary expert staff is not available to undertake the large amount of work which would be required to gather the necessary information.

[*English*]

FRENCH LANGUAGE TRAINING COURSE

Question No. 58—**Mr. Schumacher:**

1. Since the inception of French language training for federal civil servants, to date, by department, how many civil servants have (a) enrolled (b) completed (c) dropped out or failed?

2. By department, and in each case, what was (a) the nature or type of course (b) the duration of the course (c) where was each class held (d) what was the cost involved?

3. By department, what position was held by each person enrolled?

4. What costs were involved for (a) transportation (b) accommodation (c) living expenses (d) wives or families (e) relocation of households?

5. By department, and in each case, how and for what reasons were candidates for such courses chosen?

6. By department, and in each case, who was responsible for the selection of candidates?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): See reply to question No. 57 answered this day.

[*English*]

*GUIDELINES FOR RELEASE OF PRISONERS PRIOR TO RELEASE OF YVES GEOFFROY

Question No. 136—**Mr. Woolliams:**

In the Minister's statement in reference to the Yves Geoffroy case, made in the House of Commons on Monday, February 21, he referred to new guide lines to improve the release of prisoners from penitentiaries, what were the former guidelines prior to the release of Yves Geoffroy and his wrongful escape?

Mr. J. A. Jerome (Parliamentary Secretary to the President of the Privy Council): Mr. Speaker, the reply to this question is rather lengthy. It runs to a couple of pages and hon. members might agree that it be tabled and printed in *Hansard* as if it had been read.

[Mr. Mackasey.]

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

[*Editor's Note: The reply referred to is as follows*]

The former guidelines pertaining to Temporary Absence were based on individual assessment and stemmed from Section 26 of the Penitentiary Act which states:

"Where, in the opinion of the Commissioner or the officer in charge of a penitentiary, it is necessary or desirable that an inmate should be absent, with or without escort, for medical or humanitarian reasons or to assist in the rehabilitation of the inmate, the absence may be authorized from time to time

(a) by the Commissioner, for an unlimited period for medical reasons and for a period not exceeding fifteen days for humanitarian reasons or to assist in the rehabilitation of the inmate, or

(b) by the officer in charge, for a period not exceeding fifteen days for medical reasons and for a period not exceeding three days for humanitarian reasons or to assist in the rehabilitation of the inmate."

Factors considered in individual assessments were as follows:

(1) the inmate has demonstrated by his conduct, industry, attitude and active participation in the training program that he has a sincere desire for self-improvement;

(2) there is evidence of the existence of good family relationship;

(3) the conditions at home are such that the granting of the absence will not create a hardship or be too upsetting to the inmate or family;

(4) the granting of the absence will assist in maintaining and strengthening family relationships;

(5) the granting of the absence will provide incentive for further self-improvement and rehabilitation, and

(6) supporting information from a medical practitioner, clergyman or social agency, dependent on the nature of the need shall be obtained whenever possible.

COST OF MAINTENANCE OF INMATES IN FEDERAL INSTITUTIONS, 1971

Question No. 150—**Mr. Orlikow:**

1. What was the average cost of maintaining one inmate during the year 1971 in (a) federal institutions of all types (b) maximum security institutions (c) medium security institutions (d) minimum security institutions (e) farm and work camps?

2. What is the average cost of parole supervision per parolee for the year 1971?

Hon. Jean-Pierre Goyer (Solicitor General): 1. (a) (i) Operation and Maintenance, $8,597; (ii) Capital Expenditure, $1,557; Total $10,154. (b) (i) Operation and Maintenance, $9,861; (ii) Capital Expenditure, $2,518*; Total $12,379. (c) (i) Operation and Maintenance $7,290; Capital Expenditure $645; Total $7,935. (d) (i) Operation and Maintenance, $4,642; (ii) Capital Expenditure, $1,340; Total $5,982. (e) Farm and Work Camps are, in fact, classified as minimum security institutions. Accordingly, maintenance costs for inmates of farms and work camps have been included in (d) above.

*Amount of this item due mainly to the construction of Regional Reception Centre (Quebec).

2. $1,105.

N.B. The above figure includes the cost of maintaining the National Parole Board, the cost of supervision, the cost of communications, travel, training and education, stationery, supplies, administrative support, capital cost, and the cost of revocations and forfeitures, plus the cost of case preparation for those inmates not granted parole.

ALLOWANCES ON INDIAN RESERVES

Question No. 153—**Mr. Godin:**

1. On Indian reserves, which level of government is responsible for (a) social allowances (b) disability pensions (c) allowances to needy mothers (d) unemployed individuals not eligible for unemployment insurance?

2. What is the federal contribution to the payment of these allowances?

3. Are these allowances paid unconditionally and, if not, what is required of the recipients?

4. What documents must be produced as proof of a person's right to receive these allowances?

5. In case of fraud, who is in charge of recovering the money?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. (a) On Indian reserves the social assistance program is the responsibility of the federal government; (b) and (c) Disability pensions and needy mothers' allowances are the responsibility of provincial governments; (d) Unemployed Indians on reserves not eligible for unemployment insurance are the responsibility of the federal government.

2. (a) 100 per cent, except in Ontario where in accordance with a federal/provincial Indian welfare agreement, the federal government contributes approximately 95 per cent; (b) and (c) 50 per cent. (d) Same as 2 (a) above.

3. Each program has its own specific eligibility conditions which are applicable to all recipients (non-Indian or Indian).

4. (a) An Application for Social Assistance and whatever other documentary evidence the Social Assistance administration may require, having regard to the circumstances of the case. (b) and (c) Not applicable.

5. (a) Federal government; (b) and (c) Not applicable.

Mr. RAYMOND DENIS

Question No. 194—**Mr. Coates:**

1. On what date was Raymond Denis sentenced to a term in a federal penitentiary, for what charge and for what term?

2. On what date did Raymond Denis begin serving his sentence and in what institution?

3. (a) What was the actual period of time that Mr. Denis served in a federal penitentiary (b) was it all served in the same institution and, if not, what is the breakdown of time served and at what institutions?

4. Was Mr. Denis released on parole and if so (a) on what date (b) for what period of time (c) has the period of parole now ended?

Hon. Jean-Pierre Goyer (Solicitor General): By the Department of the Solicitor General: 1. December 15, 1967; obstructing justice (Section 119(1) CC): two years imprisonment.

2. Mr. Denis was held at the Carleton County Jail, Ottawa, pending disposition of his appeal. The appeal was dismissed on January 20, 1969 and Mr. Denis was admitted to St-Vincent-de-Paul Penitentiary on March 19, 1969 to serve his sentence as a federal inmate.

3. (a) Nine months. (b) (i) St-Vincent-de-Paul Penitentiary, three months and seven days. (ii) Cowansville Institution, five months and twenty-three days.

4. Yes. (a) December 19, 1969. (b) 397 days. (c) Yes, January 19, 1971.

AGRICULTURE—RELEASE OF ASSISTANCE PROGRAM INFORMATION TO SMALL FARMERS

Question No. 215—**Mr. Yewchuk:**

1. For each year 1968 to 1970, what amount was expended to inform the farmers living on small farms of the government's policies and its various assistance programs?

2. How was this government information transmitted to the farmers?

3. To date, what amount has been spent by the government for distributing information to the farmers on Bill C-244, the Prairie Grain Stabilization Act?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by Agriculture Canada and the Minister responsible for the Canadian Wheat Board as follows: 1. No information releases are directed exclusively to small farmers nor was any expenditure made in the years in question for information on assistance programs designed specifically for farmers living on small farms.

2. N/A.

3. Dissemination of information on the Prairie Grain Stabilization Plan, Bill C-244, by the Department was part of an information package about the over-all Prairie Grains Policy which included eight other programs, either implemented or proposed. The amount spent on this package information program was $135,014.62.

COMMUNICATIONS SATELLITE ANIK

Question No. 292—**Mr. Dinsdale:**

1. How many Canadians north of 60° will be served by Anik, Canada's communications satellite?

2. How many in the same area are being served by existing communications facilities?

3. (a) Will programs originating in the Territories and designed specifically for Northern communities be available through Anik facilities (b) are local programs available through existing facilities (c) what will be the percentage increase in local programming when Anik becomes available?

4. Will Anik operate on a strict economic basis or will services to the North be subsidized?

5. What is the estimated cost of providing service to the North?

[*Translation*]

Hon. Robert Stanbury (Minister of Communications): 1. There are three types of telecommunication services that can be carried on the Anik satellite: (i) telephone and data channels (ii) television program channels (iii) radio program circuits. When the Telesat satellite system is developed to its planned extent about 16,000 people will have access to telephone and data services in the Northwest

Territories. The communities concerned will be primarily in the districts of Keewatin and Franklin where satisfactory telecommunications services do not now exist. Based on 1966 census data, approximately 27,000 or 61 per cent of the population will receive the full, live network TV schedule via the Anik satellite during the first year of operation, as opposed to the limited, four-hour recorded and delayed program package now available to 24,000 or 54 per cent of the population. The gain will thus be significant in terms of greatly increased hours of programming per day for the population now receiving only the recorded television package as well as in terms of the increased population to be reached during the first year. The communities to be served are primarily in the Yukon and the district of Mackenzie in the Northwest Territories. The satellite will not be used in the first year for distribution of CBC radio.

2. The population presently served in the same areas by existing communication facilities offering comparable telephone and data services to the satellite system is 7,800. About 24,000 of the population, or 54 per cent, now receive the limited four-hour recorded and delayed program package, as explained in answer to part 1 of the question. Radio is now available to approximately 29,300 or 66 per cent of the population, based upon the daytime coverage provided by the signals of existing radio stations.

3. (a)and (c). The CBC advises that it is their intention to include in the programming made available to northern communities through Anik facilities program materials related to the lives and interests of the people in the north. Some of this will originate within the Territories themselves. The extent to which this will be possible will depend on the production facilities available which will be limited at the outset but which will be enlarged as budgetary conditions in future years permit. (b) The CBC advises that local programs are now available on radio but not on television.

4. Telesat Canada advises that their system using the Anik satellite will operate throughout Canada, including the north, on a strict economic basis.

5. Presumably this question concerns the financial administration of the satellite program and it should be addressed to the President of Telesat Canada for reply.

NOTE: The assumptions used in the answer to the question are as follows: (a) CBC information on television coverage is based on the 1966 census statistics, (b) information on telephone and data services is based on preliminary information supplied by Statistics Canada based on the 1971 census, (c) the CBC has provided information on the population that will receive television services in 1973 while the information on telephone services is based on full development of the thin route system in 1975.

[*English*]

AUDITOR GENERAL

Question No. 298—**Mr. Guay (St. Boniface):**

How many days was the Auditor General out of Canada during the year 1970 and also during 1971?

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Finance): 1970, 106; 1971, 54.

[Mr. Stanbury.]

STUDY OF REGIONAL IMPACT OF CANADIAN TARIFF

Question No. 460—**Mr. Nystrom:**

Has the Department of Industry, Trade and Commerce conducted a study of the regional impact of the Canadian tariff?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): No.

REPRESENTATIONS TO FEDERAL GOVERNMENT ON BEHALF OF PAPER PRODUCTION INDUSTRY

Question No. 465—**Mr. Rodrigue:**

Has the president of International Pulp and Sulphite made representations to any department asking that no investment be made in Canada during the next ten years in the paper production industry?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): No.

*GUIDELINES FOR USE OF GOVERNMENT AIRCRAFT DURING ELECTION CAMPAIGNS

Question No. 476—**Mr. McCleave:**

Have ethical guidelines been issued by the Prime Minister to other Ministers regarding the practice of ministerial use of government aircraft during an election campaign and, if so, what are they?

Mr. Barnett J. Danson (Parliamentary Secretary to the Prime Minister): Mr. Speaker, guidelines governing the use of official aircraft by ministers during an election campaign were issued in May 1968 by the Prime Minister, and these still prevail.

Official aircraft may not be used for purposes related to the election campaign. This means not merely that government business must be involved in any such journey, but that official aircraft may be used only when the performance of government business is the sole public purpose of the trip. Therefore, governmental aircraft should not be used in cases where the minister, or party concerned, will be engaging in any public political activities even if the trip also involves some government business.

REGIONAL DEVELOPMENT INCENTIVES BOARD

Question No. 483—**Mr. Burton:**

1. (a) Who are the members of the Industrial Incentives Advisory Board (b) what is the occupation, employer and principal address of each member?

2. What remuneration is paid to the members of the Industrial Incentives Advisory Board?

3. What amount has been paid to date to each member of the Board?

4. On what date was each member of the Board appointed?

Hon. Jean Marchand (Minister of Regional Economic Expansion): 1. (a) and (b) E. Kendall Cork, Vice-President and Treasurer, Noranda Mines Limited, Toronto; Jack B. Estey, Executive Vice-President, National Sea Products, Halifax; Robert H. Jones, Executive Vice-President, The Investors Group, Winnipeg; M. W. Mackenzie, Chairman and President, New Brunswick Multiplex Corporation, Como, Quebec; Henri Lorrain, Canadian Director and First Vice-President, International Brotherhood of Pulp,

Sulphite and Papermill Workers, Montreal; J. D. Love, Deputy Minister, Department of Regional Economic Expansion, Ottawa; T. K. Shoyama, Assistant Deputy Minister, Department of Finance, Ottawa; A. G. Kniewasser, Senior Assistant Deputy Minister Industry and Trade Development, Department of Industry, Trade and Commerce, Ottawa; J. P. Francis, Assistant Deputy Minister, Planning, Department of Regional Economic Expansion, Ottawa; W. J. Lavigne, Assistant Deputy Minister, Incentives, Department of Regional Economic Expansion, Ottawa.

2. The members of the Regional Development Incentives Board serve without remuneration.

3. Travelling and living expenses to February 18, 1972 were paid as follows: E. Kendall Cork, $919.07; J. B. Estey, $1377.14; R. H. Jones, $1466.53; M. W. Mackenzie, $400.00; L. Beaudoin, $176.00 (resigned 1/1/72).

4. All members of the Board, except Mr. Lorrain, were appointed May 18, 1971. Mr. Lorrain was appointed December 15, 1971.

DEMURRAGE CHARGES

Question No. 497—**Mr. Korchinski:**

How much demurrage charges have been paid in the past 20 years as a result of grain loading difficulties?

Hon. Otto E. Lang (Minister of Justice): Essentially the Canadian Wheat Board becomes responsible for demurrage when stocks of Board grain are insufficient to supply the entire requirements of a vessel at the time of berth allocation of the said vessel or to provide a continuous loading operation. The reasons for such a situation are manifold and, more frequently than not, are the result of physical breakdowns in the movement of grain from the Prairie region, usually as a result of extreme weather conditions. Assuming that the phrase "grain loading difficulties" used in the question is in reference to such circumstances, the following figures indicate the demurrage charges resulting therefrom, and paid by the Wheat Board in each of the last 20 crop years.

Crop Year	Total
1951-52	$ 1,039.92
1952-53	53,833.10
1953-54	855.53
1954-55	71,907.94
1955-56	20,852.91
1956-57	14,085.13
1957-58	Nil
1958-59	387,362.30
1959-60	40.921.10
1960-61	796.15
1961-62	Nil
1962-63	5,698.26
1963-64	7,849.65
1964-65	29,100.00
1965-66	590,636.00
1966-67	423,283.00
1967-68	86,187.00
1968-69	1,635,185.00
1969-70	543,178.00
1970-71	204,162.00
Total	$4,116,932.99

BUTTER IMPORTS

Question No. 502—**Mr. Lambert (Bellechasse):**

From April 1, 1971 to March 31, 1972, did Canada import butter and, if so (a) from what countries (b) in what quantities (c) at what price (d) did the Canadian Dairy commission or any other agency import the butter (e) at what price was the butter put on the Canadian market?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by Statistics Canada and the Canadian Dairy Commission as follows: (a) Canada imported butter during the period April 1, 1971 to March 31, 1972 from New Zealand and the United States. (b) and (c). The quantities and prices of butter imported from April 1, 1971 to March 31, 1972 are shown below:

	Quantity (pounds)	Average Price per pound
New Zealand	6,800	.50
U.S.A.	11,339,300	.52
	11,346,100	.52

(d) The butter from the United States was imported by the Canadian Dairy Commission at an average delivered cost, duty paid, of 66.94 cents per pound. (e) The butter imported by the Canadian Dairy Commission was sold on the Canadian market at the Canadian support price of 68 cents per pound.

FERRY SERVICE BETWEEN TOBERMORY AND SOUTH BAYMOUTH

Question No. 506—**Mr. Noble:**

1. What were the terms of the proposals made by the Department of Transport to the Government of the Province of Ontario in respect of supplying more efficient ferry service between Tobermory and South Baymouth?

2. Did the Government of the Province of Ontario make any counter-proposals and, if so, what were the terms?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): During the negotiations in connection with the Tobermory-South Baymouth ferry service, a great many proposals and counter-proposals were made by both the federal and Ontario governments. In the end, agreement was reached between the two governments as announced in a press release dated June 6, 1972:

"Under the new agreement the Province of Ontario will be responsible for the financial operation of the service. The agreement calls for the Federal Government to contribute $3 million to the Province of Ontario and to make the usual domestic shipbuilding subsidy for new ferries. The Province will assume the costs for dredging, for building wharfs and terminal facilities and for the construction of new vessels for this service. The Federal Government will continue to own the wharfs and to be responsible for their subsequent upkeep as well as for the maintenance of the channels."

Questions

*RELEASE OF PRISONERS SERVING LIFE IMPRISONMENT ON MURDER CHARGES SINCE JANUARY 1, 1971

Question No. 520—**Mr. Woolliams:**

1. (a) How many prisoners, who were serving life imprisonment on a conviction of murder, have been released or temporarily released from a penitentiary since January 1, 1971 to date (b) how many have failed to return on their own and how many are still at large at the present time (c) what are their names?

2. Has there been any crime committed by these prisoners who have been so released and what has been the nature of these crimes?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, again this reply is rather lengthy. I wonder whether it might be tabled and reported in *Hansard* as if it has been read?

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

[*Editor's note: The reply referred to above follows:*]

1. (a) (i) The number of inmates paroled under authority of the Governor in Council, pursuant to Section 684(3) of the Criminal Code, was 19. (ii) The number of inmates granted the privilege of a temporary leave of absence permit in accordance with Section 26 of the Penitentiary Act was 169. (b) Five. As of May 4, 1972 none is still at large. (c) Mr. Yves Geoffroy, Mr. A. Kendall, Mr. S. J. Sinclair, Mr. R. A. E. Swearngen and Mr. R. Foucher.

2. Yes. One was charged with escape and his case is still before the Court; one has been charged with being unlawfully at large and is awaiting appearance in Court; one has been charged and convicted for being unlawfully at large; one at large and for robbery; and one was charged and convicted for armed robbery; break, enter and theft; possession of an offensive weapon; being unlawfully at large; theft over $50 and escape from lawful custody.

UNCTAD—GENERAL PRINCIPLES

Question No. 530—**Mr. Rowland:**

1. Did Canada oppose (a) General Principle Two (b) General Principle Three (c) General Principle Seven (d) General Principle Eight adopted by UNCTAD I and listed in the "final act" of that conference and, if so, for what reasons?

2. Did Canada abstain from voting on (a) General Principle Four (b) General Principle Five (c) General Principle Eleven (d) General Principle Twelve (e) General Principle Fourteen (f) General Principle Fifteen and, if so, for what reasons?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1 (a) Yes, Canada opposed General Principle Two because it called for the adoption of trading methods to eliminate discrimination based on socio-economic systems. This principle was put forward by the Soviet bloc which sought to eliminate all reference to trade restrictions based on strategic grounds. (b) Yes, Canada opposed General Principle Three regarding the sovereign right of each country freely to trade with other countries and freely to dispose of its natural resources because this right was not qualified by any reference to international law, to agreements freely entered into, or to relevant UNGA resolutions. (c) Yes. While Canada had no difficulty with that section of General Principle Seven which dealt with access to markets, we opposed the concept of stabilization of commodity prices at artificial levels and the relating of those price levels to those of manufactured goods. (d) Yes. General Principle Eight sought to deal with the application of the most favoured nation principle to the question of tariff preferences for developing countries. At that time Canada was unable to accept this principle. Canada is, of course, among those developed countries which subsequently accepted the Generalized Preference Scheme established at UNCTAD II.

2 (a), (b), (c) and (d). Yes. While often sympathetic to the general tenets of these Principles, Canada could not, at that time, accept the phraseology which was in many cases unbalanced and arbitrary. For example, Principles Fifteen and Four concerned respectively the special needs of the least developed of the developing countries, and the requirement for all nations to pledge themselves to pursue policies designed to accelerate economic growth. The Canadian abstention in both cases reflected difficulty with the uncompromising text rather than disagreement on substance. Delegations of other major trading nations, including Canada, were likewise unable to envisage that national policies could feasibly be directed towards a completely new international division of labour (General Principle Five). Canada, together with other major aid donors, could not accept that there should be no element of discretion in the choice of aid recipients (Principle Eleven), that UNCTAD should prejudge the conclusion of an agreement on general and complete disarmament (Principle Twelve) or the implication that the colonial period had brought no economic benefit to developing countries (Principle Fourteen).

ROYAL VANCOUVER YACHT CLUB

Question No. 531—**Mr. Lewis:**

1. Does the Royal Vancouver Yacht Club occupy a waterlot in Coal Harbour, Burrard Inlet?

2. How many square feet does this waterlot comprise?

3. (a) What is the rental rate per square foot per year for the waterlot occupied by the Royal Vancouver Yacht Club (b) what is the total rental paid by the RVYC per year?

4. What is the rental rate paid by commercial users for waterlot areas in the vicinity of Coal Harbour, Burrard Inlet, per square foot per year?

5. When does the lease for the waterlot occupied by the RVYC expire?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The National Harbours Board advises as follows: 1. Yes.

2. 1,291,031.2 square feet.

3. (a) .0038cent per square foot; (b) nominal rental only established in 1953, $50 per year.

4. The only commercial leases which the National Harbours Board have in Coal Harbour are for fillable waterlots at an annual rental rate of six cents per square foot. Policy is that permits to fill waterlot areas are only issued provided tenant agrees to pay 8 per cent of market value as land on completion of fill as annual rental.

5. March 23, 1974.

FEED GRAIN TRANSPORTATION

Question No. 544—**Mr. Lambert (Bellechasse):**

1. What is the percentage of feed grain tonnage transported eastward (a) on the St. Lawrence Seaway (b) by rail?

2. Is there a price difference between both means of transportation and, if so, what is the difference per bushel?

Mr. Marcel Lessard (Parliamentary Secretary to Minister of Agriculture): 1. For domestic feed grain utilization in Eastern Canada: (a) Crop year 1969-70, 89.4 per cent; Crop year 1970-71, 82.7 per cent. (b) Crop year 1969-70, 10.6 per cent; Crop year 1970-71, 17.3 per cent.

2. The difference in the cost of moving feed grains from the Lakehead via water and rail are not constant at all destinations in Eastern Canada, or at any point in time. Water freight rates fluctuate depending upon the supply and demand for vessels. Storage and interest costs accrue on grains stored in Eastern elevators during the winter months, a cost not applicable to the rail movement. A typical comparison of costs on movement of barley during the open navigation season from the Lakehead to a feed mill at Granby, Quebec, would be:

(a) Shipment by water Lakehead to Montreal and truck to Granby, Quebec: (i) Lakehead terminal costs, 4.900 cents bushel; (ii) Water freight, insurance, tolls, and brokerage, 9.740 cents bushel; (iii) Montreal Terminal Costs, 5.300 cents bushel; (iv) Trucking, 6.240 cents bushel; Gross Total 26.18 cents bushel; Less Freight Assistance 15.36 cents bushel; Net Cost 10.82 cents bushel.

(b) Shipment by rail Lakehead to Granby, Quebec (i) Lakehead Terminal Costs, 5.196 cents bushel; (ii) Rail freight and Brokerage, 22.37 cents bushel; Gross Total, 27.57 cents bushel; Less Freight Assistance, 15.36 cents bushel; Net Cost, 12.21 cents bushel.

(c) Shipment by rail Western Country elevator to Granby, Quebec: (i) Lakehead Terminal Diversion, 2.75 cents bushel; (ii) Rail Freight and Brokerage, 22.37 cents bushel; Gross Total, 25.12 cents bushel; Less Freight Assistance, 15.36 cents bushel; Net Cost, 9.76 cents bushel.

ST. LAWRENCE SEAWAY—OPERATION DEFICIT

Question No. 546—**Mr. Lambert (Bellechasse):**

1. What was the operation deficit of the St. Lawrence Seaway during the years 1968-69, 1969-70 and 1970-71?

2. Does the United States of America share the deficit incurred on services offered to international navigation on the Seaway with Canada and, if so, in what proportion?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The St. Lawrence Seaway Authority advises as follows: 1. There was no operating deficit in the years 1968, 1969 and 1970. The Montreal-Lake Ontario section earned an operating profit (i.e. before providing for interest and for replacement of machinery and equipment) which was greater than the deficit on the Welland Canal. The following are the Canadian operating results for these years:

Questions

(000's $)

Operating Profits (Losses)

	Montreal-Lake Ontario Section	Welland Canal
1968	$13,576.5	$(8,268.8)
1969	10,133.0	(7,075.9)
1970	12,476.3	(7,140.8)
	$36,185.8	$(22,485.5)

2. There are five Canadian locks and two United States locks in the Montreal-Lake Ontario section. By agreement the tolls revenue of this section is now divided between Canada and the United States in the ratio of 73:27. There is no sharing of costs. The following are the United States operating results for these years:

(000's $)

Operating Profits (Losses)

	Montreal-Lake Ontario Section
1968	$ 4,726.0
1969	3,668.1
1970	4,541.4
	$12,935.5

All revenues collected on the Welland Canal accrue to Canada which bears the entire cost of the operation.

RAILWAYS—DELAYS DUE TO SNOW AND MUD SLIDES

Question No. 561—**Mr. Korchinski:**

1. On what dates were the railways operating from the prairie region to Vancouver rendered inoperative due to the snow slides or mud slides?

2. What was the total hours of delay in each case?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The Management of Canadian National Railways advises as follows: 1. Although there were numerous and serious interruptions to through service at certain times during the winter, at no one time was the railway completely inoperative all the way from the Prairies to Vancouver. As indicated below there were many instances of mud and snow slides which delayed trains and service for certain lengths of time, nevertheless, traffic was kept moving forward on the various subdivisions of this territory and held at various locations along the line pending the clearing of the slides:

January 20-24 Yale Sub.

Boston Bar to Hope, 0900 until 1400, Jan. 24th, acct. snowslides

During this period the CPR were also impassable until the PM of Jan. 22 at which time CN commenced detouring over that Company's tracks.

February 6 Yale Sub.

Mileage 33.4, 0615 until 1200, acct. snow and mud slides

February 7 Ashcroft Sub.

Mileage 93.8, 1410 until 2030, snowslide

February 15 Yale Sub.

Questions

Mileage 7.7, 0400 until 1005, rock slide

February 16 Yale Sub.

Mileage 16.3, 1130 until 2350, 17, slip out

February 27 Yale Sub.

Mileage 22.9, 1125 until 1200, 28, rock and snowslides

March 5 Yale Sub.

Mileages 19 and 21.7, 0320 until 1620, snowslides

March 10 Clearwater Sub.

Mileages 19.3 and 19.8, 1205 until 2130, snowslides

March 11 Clearwater Sub.

Mileage 19.8, 2220 until 0505, 12, snow and trees

March 11 Ashcroft Sub.

Mileage 76.5, 2100 until 1145, 12, rock slide

March 12 Ashcroft Sub.

Mileage 31.5, 2300 until 1530, 13, washout

March 13 Albreda Sub.

Mileage 53, 1700 until 0545, 14, snowslides

March 16 Yale Sub.

Mileages 5.7, 14, 16.2, 20.6, 33.4, 0130 until 2350, snowslides

March 19 Clearwater Sub.

Mileages 51.5 and 52.3, 0900 until 2120, 21st, Slip out

March 19 Ashcroft Sub.

Mileage 113.3, 2130 until 0545, 20, mud and rock

March 27 Yale Sub.

Mileage 22.9, 1315 until 1000, 28, snow

March 28 Ashcroft Sub.

Mileage 109.5, 2355 until 1500, 29, snow

2. The Company does not maintain records that would readily disclose the total hours of delay in each specific case as such information has no managerial significance. To develop the data to answer the question would require considerable expenditure of time and money.

POLLUTION—GREAT LAKES

Question No. 574—**Mr. Matte:**

1. By what means is the government presently preventing pollution of the Great Lakes?

2. Is the government aware that owners of boats are throwing waste into such waters?

3. Is the government aware that many hundreds of cans of paint are thrown into such waters?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of the Environment and Transport as follows: 1. The Federal Government is preventing pollution through the application of anti-pollution legislation, such as the Fisheries Act, the Canada Water Act and the Canada Shipping Act, and through such agreements as the Canada/United States Agreement and the Canada/Ontario Agreement. The Department of Transport enforces the Oil Pollution Prevention Regulations and the Garbage Pollution Prevention Regulations throughout the Great Lakes. These Regulations apply to ships and both carry a possible fine of $100,000 against offenders. Marine surveyors employed by the Department of Transport investigate reports of infractions of these regulations and lay charges whenever necessary. Coast Guard vessels employed by the Department of Transport carry out regular surveillance in Great Lakes waters. A Coast Guard aircraft with departmental surveyors acting as observers also carries out regular anti-pollution patrols throughout the area.

2. The Garbage Pollution Prevention Regulations were promulgated specifically to deal with the problem of waste from vessels in the Great Lakes and in other Inland Waters.

3. No.

NATIONAL REVENUE—COST OF TAX RETURN PAMPHLETS

Question No. 585—**Mr. Mather:**

What was the cost of the booklet, including its distribution to taxpayers, dealing with the revised system of income tax effective respecting 1972 income?

Hon. Herb Gray (Minister of National Revenue): In so far as the Department of National Revenue, Taxation, is concerned: It prepared and distributed 11 tax reform pamphlets to date on various aspects of the new tax law, two mailed to all 9,800,000 taxpayers and others on a selective basis according to subject. The cost was $770,-903.75 for printing, $70,000 for inserting and $720,000 for mailing. Included in the cost are supplies available over the desks of the 28 District Taxation Offices.

DAYS OF GRAIN SHIPMENT LOST AS A RESULT OF ADVERSE WEATHER CONDITIONS

Question No. 605—**Mr. Murta:**

How many days of grain shipment were lost in the past 10 years on a per year basis because of adverse winter weather conditions?

Hon. Otto E. Lang (Minister of Justice): While adverse winter weather conditions may prevent the grain handling system from operating to capacity, grain gathering from the country elevator system and vessel loading normally continues while lines difficulties are being resolved. A precise record of the duration of stoppages of rail movement at individual locations has not been maintained.

INSTALLATION OF INSTRUMENT LANDING SYSTEM, DEER LAKE AIRPORT

Question No. 612—**Mr. Marshall:**

What is the status of the installations of an ILA System at Deer Lake Airport?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Tenders were called on June 23, 1972, for the installation of an Instrument Landing System at the Deer Lake Airport. It is expected that the work will be completed and the facility commissioned by the end of this year.

NEWFOUNDLAND—NUMBER OF DEPARTMENT OF AGRICULTURE OFFICES

Question No. 614—**Mr. Marshall:**

1. How many units of the Department of Agriculture are there in the Province of Newfoundland?

2. For each unit, what is (a) the location (b) the total number of employees, by descriptive job-title?

3. Is it the intention of the government to establish a division of the Farm Credit Corporation in the Province and, if not, for what reasons?

Mr. Marcel Lessard (Parliamentary Secretary to Minister of Agriculture): 1. Eight.

2. (a) (1) Argentia, Consolidated Grading and Inspection; (2) Cornerbrook—(a) Consolidated Grading and Inspection, (b) Health of Animals; (3) Grand Falls, Consolidated Grading and Inspection; (4) Port aux Basques, Consolidated Grading and Inspection; (5) St. John's, (a) Research Station; (b) Consolidated Grading and Inspection; (c) Health of Animals.

(b) (1) One Primary Products Inspection. (2) (a) One Agricultural Officer, one Primary Products Inspection; (b) One Veterinarian, one Primary products Inspection. (3) Two Primary Products Inspection. (4) Four Primary Products Inspection; one Clerical and Regulatory; one Heating, Power and Stationery Plant Operation; one GLT Machine Operating-Controlling; one GLT Electrical Installing and Maintaining; one GLT Machinery Maintaining; one GLT Pipefitting; two GLT Manipulating; two GLT Elemental. (5) (a) one Research Manager; four Research Scientists; three Biological Scientists; four Engineering and Scientific Support; one Clerical and Regulatory; two Stenographic and Typing; five Heating, Power and Stationery Plant Operation; 20 GLT Manipulating; one GLT Electrical Installing and Maintaining; one GLT Woodworking; one GLT Machine Driving-Operating. (b) three Agricultural Officers; four Primary Products Inspection; one Engineering and Scientific Support; one Administrative Officer; one Stenographic; two Clerical. (c) two Veterinarians; eight Primary Products Inspection; one Clerical.

3. No. There is insufficient concentration of business in any one locality to warrant the opening of an office. Applications from the Province of Newfoundland are handled directly through the Branch Office at Moncton, New Brunswick, with regular pre-scheduled visits by Credit Advisors.

*RCMP—MUSICAL RIDE

Question No. 616—**Mr. Diefenbaker:**

1. How many cities, towns or other urban centres have contracted to have the Musical Ride of the RCMP for the present year?

2. What are the names of such centres and how much has been agreed to be paid by each of the centres to cover expenses, transportation, or other costs incurred by the participation of the force?

3. Are there any cases in which no charge is made and the government pays the costs and, if so, what are the names of the cities, towns or villages receiving such special treatment?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Here again, Mr. Speaker, there is a great deal of statistical information involved in this reply.

I wonder whether the reply might be tabled and printed in *Hansard* as if read?

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

[*Editor's note: The reply referred to above follows:*]

1. Seventeen confirmed as of 26 June 1972.

2. and 3.

Location and Sponsor	Costing Arrangements
Ormstown, P.Q. Ormstown Exhibition (3 days)	Sponsor—$ 3,141
Lachute, P.Q. Lachute Exhibition (3 days)	Sponsor—$ 2,400
Windsor, Ontario Detroit, Michigan International Freedom Festival (5 days—includes 2 days travelling time)	Sponsor—$10,054
Sherbrooke, P.Q. Sherbrooke Exposition (4 days—includes 1 day travelling time)	Sponsor—$ 7,866
Syracuse, N.Y. New York State Fair (11 days—includes 2 days travelling time)	Sponsor—$16,465
St. Tite, P.Q. Western Festival (4 days—includes 2 days travelling time)	Sponsor—$ 5,000
Toronto, Ontario Royal Agricultural Winter Fair (12 days—includes 2 days travelling time)	Sponsor to pay all costs—approximately $13,330
Ottawa, Ontario Festival Canada, Secretary of State Department (6 days)	No costs
Timmins, Ontario Timmins Diamond Jubilee (4 days—includes 2 days travelling time)	Sponsor to pay all costs—approximately $11,000
Aylmer, P.Q. National Equestrian Regional Association, Connaught Race Track (3 days)	Sponsor to pay foraging costs
"N" Division, Ottawa, Ont. Adventure in Citizenship (Rotary) (1 day)	No costs to sponsor
"N" Division, Ottawa, Ont. Delegation from Yugoslavia (1 day)	No costs to sponsor

Questions

"N" Division, Ottawa, Ont. National School Safety Patrol Jamboree (1 day)	No costs to sponsor
Kansas City, Missouri American Royal Livestock and Horse Show (12 days—includes 4 days travelling time)	Sponsor to pay all costs which have not yet been determined
"N" Division, Ottawa, Ont. F. I. S. Congress, Canadian Seed Trade (1 day)	No costs to sponsor
"N" Division, Ottawa, Ont. Delegation from Roumania (1 day)	No costs to sponsor
"N" Division, Ottawa, Ont. XII International Congress of Photogrammetry (1 day)	No costs to sponsor
Saskatchewan Filming for RCMP Centennial (10 days)	Under negotiation

INFORMATION CANADA

Question No. 621—**Mr. Mather:**

1. What was the number of employees, including the clerical staff, of Information Canada in 1970?

2. What is the number today?

3. What in dollars was the amount paid to such employees in 1970?

4. What is the amount today?

Hon. Martin P. O'Connell (Minister of Labour): 1. On April 1, 1970, out of an authorized strength of 520, there were 362 employees on staff, of which 126 were transferred from the Queen's Printer and 228 from the Canadian Government Exhibition Commission.

2. On May 25, 1972, there were 545, including 179 for Expositions. Of the 545, 120 were on short term temporary clerical duty.

3. Since the inception of Information Canada on April 1, 1970, salary and wages paid to December 31, 1970, were $1,842,373 which included $902,173 for the Expositions Division which operated on partial cost recovery.

4. Salaries and wages paid from April 1, 1971, to December 31, 1971, were $2,071,014, exclusive of salaries and wages for Expositions.

CANADIAN CONTRIBUTION TO COMMONWEALTH PROGRAM OF EDUCATIONAL TRAINING FOR REFUGEES FROM RHODESIA AND SOUTH AFRICA

Question No. 632—**Mr. Macquarrie:**

1. What is Canada's contribution to the Commonwealth Program of educational training for refugees from Rhodesia and South Africa?

2. Are the refugees involved alleged to have committed "political" crimes by their native governments?

3. Are contributions being channelled through educational institutions or through nationalist organizations in exile?

4. Does Canada make any contribution to the African National Council of Rhodesia?

[Mr. Speaker.]

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. During the present fiscal year Canada is contributing $75,000 to the Commonwealth Secretariat for a Program of Training for Rhodesian Refugees. Canada is also contributing $50,000 to the Inter University Exchange Fund of Geneva for assistance to refugees from the whole southern African region and is contributing $100,000 to the United Nations Education and Training Fund for Southern Africans. Canada expects to repeat this year the grant of $10,000 which the Canadian Government gave last year to the United Nations Trust Fund for South Africa. Canada also contributes to the support of refugees from southern Africa through its contribution to the United Nations High Commissioner for Refugees.

2. It is not known whether the recipients of funds from these programs have been alleged to have committed political crimes by their native governments or not. It is our understanding that the organizations through whom this aid is channelled take into account all relevant factors.

3. The contributions are being channelled through the international institutions listed above.

4. No.

EXPORTS OF WHEAT TO MEXICO

Question No. 642—**Mr. Dinsdale:**

1. How much wheat has been supplied by Canada to Mexico during each year since 1968?

2. Of this, what proportion does this represent of that country's total wheat import?

3. Did the Wheat Board make any offers of Canadian wheat to the *Compania National de Subsistencias Populares* (CONASUPO) during this period?

4. Does Canada have international suppliers and brokers representing her in connection with the sale of seed, wheat or other cereals to Mexico?

Hon. Otto E. Lang (Minister of Justice): 1, 2, 3 and 4. Since the 1963-64 crop year, with the exception of 1968-69 when a negligible quantity (1,000 tons) was imported, Mexico has been a net exporter of wheat. The Canadian Wheat Board and private trade continue to represent Canada's interest in this and other markets for Canadian grain and oilseeds. No business in wheat sales to Mexico was concluded during the period in question.

STUDENT APPLICATIONS FOR POSITION AS HISTORIC PARK GUIDES

Question No. 643—**Mr. Muir:**

1. What was the total number of applications received by the Department of Indian Affairs and Northern Development from students in the Atlantic Provinces for positions as Historic Park Guides?

2. Of this total (a) how many of the applicants specified they were unilingual English (b) how many specified they were unilingual French (c) how many specified they were bilingual?

3. How many applications were accepted and of the total number provided employment (a) how many were unilingual English (b) how many were unilingual French (c) how many were bilingual?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I have been given the following information by the Public Service Commission. 1. The Regional Office received 563 applications.

2. Of these 563 applicants, the Selection Board identified (a) 475 as unilingual English; (b) 2 as unilingual French; (c) 86 as bilingual.

3. Of the 85 applicants appointed (a) 41 were unilingual English; (b) none were unilingual French; (c) 44 were bilingual.

[*English*]

OLD AGE SECURITY—ADVERTISEMENTS

Question No. 648—**Mr. Nystrom:**

1. How many newspapers and how many magazines have carried or will carry the advertisement "Attention old age pensioners, Guaranteed minimum income levels have been raised"?

2. Of the newspapers, how many are dailies, weeklies, bi-weeklies and monthly?

3. Have or will any newspapers or magazines carry the advertisement more than once and, if so, what is the maximum number of times and in which of the above categories do such newspapers fall?

4. (a) What was the total cost of these advertisements (b) what was the cost per category (c) how much did the most expensive advertisement or series of advertisements cost in a single newspaper and magazine and what are the names of that newspaper and magazine?

5. Was any advertising of the pension increases (for old age security pensioners) done in either radio or television and, if so, what was the cost?

6. What is the name of each advertising firm through which the above advertising was placed and at what charge?

Hon. John C. Munro (Minister of National Health and Welfare): 1. Nine hundred and sixty one newspapers.

2. Dailies, 112; weeklies, 818; bi-weeklies, 17; monthly, 14.

3. Yes. Dailies, two insertions. One insertion for all other newspapers.

4. (a) Total cost of advertisement, $168,965. (b) Dailies, $60,470; weeklies, $101,945; bi-weeklies, $3,460; monthly, $3,090. (c) $3,600, the Toronto *Daily Star.*

5. Yes. Radio, $31,856.

6. Advertising agencies: Huxley-Irwin-Price Limited; Agence Canadienne de Publicité Limitée.

There was no charge to the department for placement because the agencies are compensated by a 15 per cent commission allowed by all media to enfranchised agencies for national advertising.

TOTAL VOLUME OF GOODS HANDLED AT PORTS

Question No. 658—**Mr. Blouin:**

What was the total volume of goods (in tons) handled during 1971 at the ports of (a) Montreal (b) Vancouver (c) Halifax (d) St. John (e) Quebec City (f) Rimouski (g) Baie Comeau (h) Port Cartier (i) Sept-Îles, Pointe Noire included?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The National Harbours Board advises as follows: (a) Montreal, 23,766,460 tons; (b) Vancouver, 35,-301,753 tons; (c) Halifax, 11,307,747 tons; (d) St. John, 5,803,304 tons; (e) Quebec City, 11,060,221 tons.

The Department of Transport advises as follows: (f) Rimouski, 536,884 tons; (g) Baie Comeau, 7,841,167 tons; (h) Port Cartier, 14,435,657 tons; (i) Sept-Îles, Pointe Noire included, 26,809,205 tons.

*NATIONAL ANTHEM

Question No. 661—**Mr. Fairweather:**

Is the government considering a bilingual third verse for the National Anthem which is the subject-matter of Bill C-158 as evidence of a desire to contribute to national unity?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): The reply to that question is no, Mr. Speaker. The government is not considering a third verse for the Naitonal Anthem.

[*English*]

BLUE WATER BRIDGE AUTHORITY

Question No. 662—**Mr. McCutcheon:**

1. On what date or dates did the Government in Council, or any authority designated by the Governor in Council, order the Blue Water Bridge Authority to make its cost records and its cash receipt and disbursement records available, pursuant to section 19(1) of the Blue Water Bridge Authority Act which was enacted May 21, 1964?

2. On what date or dates did the Blue Water Bridge Authority provide the Governor in Council, or his designee with itemized, detailed and verified reports of the Authority's receipts and disbursements under section 19(2)(a) of the Act?

Hon. Mitchell Sharp (Secretary of State for External Affairs): The Parliamentary Secretary to the Minister of Energy, Mines and Resources stated in the House on May 19, 1972 that a submission to the Governor in Council was being prepared requiring the Blue Water Bridge Authority under Section 19 of the Blue Water Bridge Authority Act to submit a financial report annually to the appropriate Minister. The submission is expected to be completed shortly.

ASSISTANCE TO HOG PRODUCERS

Question No. 664—**Mr. Lambert (Bellechasse):**

Since the announcement by the Minister of Agriculture of assistance to hog producers who produced at a loss in 1971 (a) how many producers benefitted from this program to June 1, 1972 (b) what amount was paid to the same date (c) how many producers received the benefit by province (d) what was the total paid by province?

Mr. Marcel Lessard (Parliamentary Secretary to Minister of Agriculture): The answers to sections (a), (b), (c) and (d) to June 9, 1972 are as follows:

Province	Number of Producers	Amount
Newfoundland	23	$ 19,085.00
Prince Edward Island	792	240,190.00
Nova Scotia	248	138,190.00
New Brunswick	419	119,155.00

	Questions	
Quebec	4,523	2,046,660.00
Ontario	15,506	5,429,880.00
Manitoba	8,981	2,059,240.00
Saskatchewan	14,193	2,450,455.00
Alberta	13,896	3,119,000.00
British Columbia	214	64,565.00
Total	58,795	$15,686,420.00

EGGS—PRODUCTION, CONSUMPTION AND PRICE

Question No. 667—**Mr. Lambert (Bellechasse):**

1. What was the production of eggs, by province, in 1971?

2. What was the production during the same period in Canada?

3. What was the total consumption of eggs for all purposes, in Canada, in 1971?

4. What was the consumption, by province, during 1971?

5. What was the average price paid by the consumer for Grade A-Large eggs, in 1971?

6. What was the average price paid to the producer for Grade A-Large eggs, in 1971?

Mr. Marcel Lessard (Parliamentary Secretary to Minister of Agriculture): 1. Statistics Canada egg production estimates 1971, including hatching eggs and eggs consumed on farms (000's dozens): British Columbia, 59,045; Alberta, 43,896; Saskatchewan, 26,335; Manitoba, 57,471; Ontario, 193,985; Quebec, 80,026; New Brunswick, 8,579; Nova Scotia, 17,441; Prince Edward Island, 3,016; Newfoundland, 9,551.

2. Production in Canada (000's dozens), 499,325. Source: Statistics Canada Annual Catalogue No. 23202—Table 10.

3. Total egg consumption in Canada in 1971: per capita 21.7 dozens or 32.6 pounds.

4. Consumption, by province, during 1971: not available.

5. Average price Grade A Large eggs paid by consumer in 1971: not available.

6. Average price paid to producers for Grade A Large eggs in 1971 was 29.96 cents per dozen.

TOTAL PRODUCTION OF INDUSTRIAL MILK DELIVERED

Question No. 676—**Mr. Lambert (Bellechasse):**

What was the total production of industrial milk delivered to processing industries and subsidized by CDC (a) for the month of April, 1971 (b) for the month of April, 1972?

Mr. Marcel Lessard (Parliamentary Secretary to Minister of Agriculture): Deliveries by industrial milk and cream shippers on which subsidy was paid by the Canadian Dairy Commission for the month of April were: (a) 1971, 21,366,000 pounds butterfat; (b) 1972, 22,055,369 pounds butterfat.

ROYAL COMMISSION ON BILINGUALISM AND BICULTURALISM

Question No. 678—**Mr. Caouette:**

1. What was the total cost of the Royal Commission on Bilingualism and Biculturalism?

2. What income was paid to each of the chairmen of the Commission?

[Mr. Lessard (Lac-Saint-Jean).]

3. What was the total amount of salaries paid to persons working for the Commission?

Mr. Barnett J. Danson (Parliamentary Secretary to the Prime Minister): 1. $9,049,386.

2. Mr. Laurendeau, $105,220, (Deceased 1968); Mr. D. Dunton, $69,750; Mr. J. L. Gagnon, $133,650.

3. $4,456,553.

ROYAL COMMISSION ON BILINGUALISM AND BICULTURALISM

Question No. 686—**Mr. Robinson:**

1. What is the actual cost of The Royal Commission on Bilingualism and Biculturalism thus far?

2. If the work is to be continued what would be the projected additional cost?

Mr. Barnett J. Danson (Parliamentary Secretary to the Prime Minister): 1. $9,049,386.

2. The Commission ceased its operations in 1971. No further costs are projected.

*PRINCE ALBERT NATIONAL PARK—GOLF COURSE

Question No. 720—**Mr. Diefenbaker:**

1. How many employees are there on the Golf Course at Prince Albert National Park as of this date?

2. How many were there last year?

3. For what reason has there been a reduction in staff?

4. How many green keepers and maintenance staff were employed in each of the years 1968, 1969 and 1970?

5. How many are employed as of this date?

6. Have the Minister of Indian Affairs and Northern Development and/or the Department received complaints that the condition of the Golf Course is deplorable?

7. Will immediate action be taken to bring the Golf Course back to its former excellent condition?

Mr. Allen B. Sulatycky (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, there are at this date nine employees on the golf course at Prince Albert national park.

Last year there were also nine employees.

The third part of the question is not applicable.

In 1968, 1969 and 1970 eight employees were engaged as green keepers and maintenance staff.

This year, as I say, there are nine.

The department has not received any complaints regarding the condition of the golf course.

Lastly, because of the very hot, dry, unseasonable weather this spring and the lack of rainfall, the golf course is being watered considerably more than usual to assist in maintaining the course to its regular standard.

QUESTIONS PASSED AS ORDERS FOR RETURNS

EMPLOYMENT OF NON-CANADIANS IN PUBLIC SERVICE

Question No. 119—**Mr. Latulippe:**

Are there any non-Canadians who work for the federal government in Canada and, if so, from what countries do they originate?

Return tabled.

UNEMPLOYMENT INSURANCE COMMISSION—SEPARATION CERTIFICATE REQUIREMENT

Question No. 186—**Mr. Marshall:**

Have employers been reminded by the Unemployment Insurance Commission of the legal requirement (a) to provide leaving employees with separation certificates within five days (b) to produce copies of correspondence or other means of direction and, if so, by what method?

Return tabled.

NUMBER OF RED-CIRCLED PUBLIC SERVANTS

Question No. 329—**Mr. Hales:**

1. How many public servants are still red-circled and in what departments are they employed?

2. How many years of service did each have when red-circled?

3. What effect will this have on the pension of each?

Return tabled.

FEDERAL SUPPORT OF CANADIAN YOUTH HOSTELS ASSOCIATION STANDARDS

Question No. 377—**Mr. Robinson:**

Will the government support the Canadian Youth Hostels Associations's quality approach to hostelling in order to maintain standards in accordance with International Federation rules?

Return tabled.

IMPORTS AND EXPORTS OF DAIRY PRODUCTS

Question No. 535—**Mr. Yewchuk:**

1. For each year 1967 to 1971 inclusive, what was the total amount of money received by each province (or Canada) for exporting (a) skim milk powder (b) cottage cheese (c) cheddar cheese (d) cattle (i) beef animals (ii) dairy cows (e) beef (f) butter (g) hogs (h) pork?

2. For the same period, what was the amount expended by province (or Canada) for importing (a) skim milk powder (b) cottage cheese (c) cheddar cheese (d) cattle (i) beef animals (ii) dairy cows (e) beef (f) butter (g) hogs (h) pork?

3. For the 5-year period, 1967 to 1971, how many head of cattle (a) beef animals (b) dairy cows did Canada export to (i) US (ii) USSR (iii) European Economic Market (iv) Britain (v) Scandinavia (vi) other?

4. For that same period, how many head of cattle (a) beef animals (b) dairy cows did Canada import from those countries?

5. In each case, if the information is not available, for what reason?

Return tabled.

Proposed Legislation

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—HIRING OF STUDENTS AS GUIDES

Question No. 629—**Mr. Muir:**

1. Of the 85 students hired under competition number 71-IAN-HAL-0-1020 by the Department of Indian Affairs and Northern Development, what were the names, addresses and university attended by each one?

2. In each instance, was the student hired as a unilingual English guide or a bilingual guide and in each instance, was there a recommendation written or otherwise from a Member of Parliament and, if so, in each instance, what was the name of the Member of Parliament?

Return tabled.

* * *

• (1110)

PENSION BENEFITS STANDARDS ACT

AMENDMENT TO REQUIRE THAT TRUST AGREEMENT BE MADE AVAILABLE TO EMPLOYEE CONTRIBUTORS

Mr. Mark Rose (Fraser Valley West) moved for leave to introduce Bill C-228, to amend the Pension Benefits Standards Act (information to employees).

Some hon. Members: Explain.

Mr. Rose: Mr. Speaker, the purpose of this bill is to legally recognize that, whereas pension funds are financed by both employer and employee contributions, employee confidence in contributory pension programs can be enhanced if more information is made available to them, therefore requiring that a copy of the trust agreement be made available to employee contributors.

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

* * *

COPYRIGHT ACT

AMENDMENT TO PROVIDE FOR REMUNERATION OF PERFORMERS OF LITERARY AND MUSICAL WORKS FOR SUBSEQUENT REPRODUCTIONS

Mr. Mark Rose (Fraser Valley West) moved for leave to introduce Bill C-229, to amend the Copyright Act.

Some hon. Members: Explain.

Mr. Rose: Mr. Speaker, the purpose of this bill is to ensure that performers of literary and musical works are remunerated for subsequent reproductions of those works broadcast over the electronic media. Current practice is for the performers' right to cease once the contractual recording session is fulfilled.

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

Mr. Speaker: Oral questions.

Mr. Broadbent: Mr. Speaker, I rise on a point of order. I have a motion I should like to move under the provisions of Standing Order 43.

Inquiries of the Ministry

Mr. Speaker: Order, please. The hon. member appreciates that we have proceeded beyond motions which were called some time ago. He would need the unanimous consent of the House to revert to motions for this purpose.

Some hon. Members: No.

Mr. Speaker: There is no agreement. The hon. member will appreciate the difficulty in which the Chair is placed in this regard.

ORAL QUESTION PERIOD

ADMINISTRATION OF JUSTICE

DECISION OF BRITISH COLUMBIA COURT OF APPEAL JEOPARDIZING MAINTENANCE PAYMENTS ARISING FROM DIVORCE SUITS—GOVERNMENT ACTION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Justice who will recall that earlier in the week I asked him about a decision of the British Columbia Court of Appeal which seems to put in jeopardy or question the validity at least of thousands of court orders relating to the maintenance of divorced wives and children under the Divorce Act. Has he had an opportunity to consider that decision and does he propose to take any action in connection with it?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, my examination of the question is not yet complete. Therefore I cannot make any comment on whether action is required.

Mr. Stanfield: Mr. Speaker, I should like to ask a supplementary question in view of the difficulties in which thousands of children and women may find themselves. Without offence, will the minister consider this problem post haste? Will he and the House leader examine Bill C-69 standing in the name of the hon. member for Halifax-East Hants, which in my judgment exactly fits the situation, and consider the possibility of moving with this bill today? I suggest that in the circumstances it might proceed through the House very rapidly and prevent thousands of women and children in this country suffering hardship.

Mr. Lang: Mr. Speaker, while I appreciate the suggestion of the hon. gentleman, one of the problems is whether any action wich fits the situation is in fact constitutional. That is a further very serious situation which has to be examined. I would not want to have anyone misled by thinking a piece of legislation which would not stand up would solve any problems.

[Mr. Broadbent.]

LABOUR RELATIONS

QUEBEC—LONGSHOREMEN'S STRIKE—PROSPECT OF SETTLEMENT IN LIGHT OF ARBITRATION AWARD

Mr. David Lewis (York South): Mr. Speaker, I should like to address a question to the Minister of Labour, and I do so strictly to obtain information. May I ask whether the position taken by the government House leader, the President of the Privy Council, in respect of the motion for adjournment of the House means that matters are progressing in the conflict between the longshoremen and employers in the Quebec ports and that one may expect some kind of satisfactory conclusion to the problem today?

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, I can reply quite clearly to at least one aspect of that question. Mr. Justice Allan Gold, the arbitrator, did render a very explicit award last evening. That award will be considered beginning at one o'clock this afternoon at a general meeting of the membership of the longshoremen's union in Montreal. So that kind of progress is taking place. I think we have to await the results of that meeting before we can be more explicit as to real progress in the dispute.

Mr. Lewis: Mr. Speaker, I join the minister in the hope that the union will abide by any arbitration award as is required by the agreement and by the law. May I ask whether, when this meeting is held at one o'clock, the negotiating committee or executive committee or some group of leadership in the union is ready to recommend acceptance of and obedience to the award?

Mr. O'Connell: Mr. Speaker, I am not privy to the position the union leadership intends to place before the men. I think we have to rely upon the good judgment of the longshoremen now that their agreement has been clarified for them in very explicit language. I think we as members of this House would expect them as good Canadian citizens to live up to the law of Canada as it has been clearly placed before them and to honour their agreement which they bargained for and sealed about three months ago. I trust that the meeting this afternoon will consider all these aspects of the position they are now clearly in.

• (1120)

QUEBEC—LONGSHOREMEN'S STRIKE—SUGGESTED INTRODUCTION OF BACK-TO-WORK LEGISLATION BEFORE HOUSE ADJOURNS

Mr. Raymond Rock (Lachine): Mr. Speaker, I have a supplementary question for the Minister of Labour. Since it took the government eight weeks to find out through Judge Gold that the dock strike is illegal and since you are waiting until this afternoon for the decision—

Mr. Speaker: Order, please. The hon. member should address his question to the Chair.

Mr. Rock: I am sorry, Mr. Speaker. Since the Minister of Labour is waiting until this afternoon for a decision by the meeting of the dock workers, would the government consider introducing back-to-work legislation immediate-

ly before adjournment of the House, in order that Parliament will not have to be recalled for this purpose?

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, the answer to that question clearly has to be no. Surely it is not desirable. This House would not wish to be in the position of being called upon to pass legislation to order men back to work on the ground that they are breaking the law, because the law already requires that they go back to work. Legislation to require Canadians to do that which is already required by the law does not seem to me to be appropriate at this time.

Mr. Rock: Mr. Speaker, I ask the minister, if at the meeting this afternoon the longshoremen decide to refuse to go back to work, what does Parliament intend to do?

Mr. Speaker: Order, please. The hon. member for Témiscamingue on a supplementary.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a supplementary for the Minister of Labour.

He has just stated that the law requires them to go back to work. Undeniably, the person mainly responsible for the situation is the president of the union, Mr. St-Onge. Is it not the minister's opinion that the government should teach Mr. St-Onge that the Canadian government is more important than the president of the union.

Mr. Speaker: Order. That, in my view, is an argument. I do not believe the question as worded is in order.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

JUDGMENT ASSERTING RIGHT OF ACCUSED TO CONSULT COUNSEL BEFORE BREATHALYZER TEST FOR IMPAIRED DRIVING—GOVERNMENT POSITION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Minister of Justice. I assume he has now had a chance to read the reasons for judgment in the case of Regina *v.* Brownridge dealing with an impaired driving charge and refusal to take a breathalyzer test. In light of that judgment I suppose the minister has had a discussion with other distinguished lawyers in the cabinet. Can the minister now indicate whether it is the intention of the government to bring back in legislation to nullify the effect of the judgment, or does the government accept the decision of the Supreme Court?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, there is no present intention to undertake legislation. The practical matter, I think, is that it is important to have working enforcement in connection with drinking drivers, and the breathalyzer is extremely useful in that regard. I do not at the present time see any inconsistency between that and the decision of the Supreme Court in terms of the ability to contact counsel in certain circumstances. A careful reading of the judgment indicates, I think, the court's concern that this should not interfere with the ordinary taking of breathalyzer tests. The only case I can see for further legislation is if there is uncertainty about the extent of the right and the period of time which could be taken up in consultation with counsel.

INQUIRY AS TO PROCLAMATION OF SECTION OF CRIMINAL CODE PROVIDING FOR FURNISHING OF BREATH SAMPLE TO POTENTIAL ACCUSED

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question deals with a companion judgment which came out at the same time. When does the government intend to proclaim that section of the act, now three years in arrears, regarding the furnishing of a sample to the potential defendant?

Hon. Otto E. Lang (Minister of Justice): Work is continuing on the perfecting of an adequate device to allow such a sample to be taken and furnished. It is our intention to proclaim the section as soon as a reasonable and workable device is available.

* * *

NATIONAL REVENUE

REASON FOR DELAY BY KINGSTON CUSTOMS OFFICE IN RELEASE OF MACHINERY PART

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question is for the Minister of National Revenue. It is an all too frequent case pertaining to the adverse effect of bureaucratic red tape on industrial enterprise.

Mr. Speaker: Order, please. Will the hon. member ask his question.

Mr. Alkenbrack: Yes, Mr. Speaker. I have given the minister notice of this question. Why was the machinery part recently consigned to the Napanee Brick and Tile Works Limited from a firm in West Germany held by the customs office in Kingston for more than two weeks after arrival at great cost and inconvenience to the corporate and local economy?

Mr. Speaker: Order, please. The hon. member will appreciate that normally a question such as this should be put on the order paper or considered at the time of adjournment. Since it is unlikely that we will be here at ten o'clock this evening, perhaps the minister might be allowed to reply.

Hon. Herb Gray (Minister of National Revenue): Mr. Speaker, I should like to thank the hon. member for bringing this matter to my attention. I have given instructions that it be looked into and I will make a report as soon as I hear from my officials on the matter.

Inquiries of the Ministry

AGRICULTURE

PRINCE EDWARD ISLAND—INQUIRY AS TO REQUEST BY PROVINCE FOR REVISION OF DEVELOPMENT PLAN IN LIGHT OF DROP IN FARM INCOME

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to address my question to the Minister of Regional Economic Expansion. Has there been any request from the government of Prince Edward Island to revise the comprehensive development plan operating in that province as it applies to the agricultural segment of the economy in view of the drastic drop in farm net income in that province in 1971 to less than 45 per cent of what it was in 1970?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Not to my knowledge, Mr. Speaker. I will have to check with my officials to see whether we have received a communication from the P.E.I. government.

ATLANTIC PROVINCES—REPRESENTATIONS BY PROVINCIAL MINISTERS CONCERNING UNITED APPROACH TO OVERCOME DECREASE IN FARM INCOME

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to address a supplementary question to the Minister of Agriculture. Has there been any request by some or all of the Ministers of Agriculture of the five eastern provinces of Canada on the subject of the drop in net farm income in 1971 compared with the previous year with a view to a united approach of both levels of government in an attempt to alleviate this serious problem?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, there were some discussions about this several months ago when it was clear to us that this was going to be the situation, particularly in the latter part of 1971. There has been a marked improvement in the first part of 1972. I have had some discussions recently so that we can have policies and programs later this year to avoid what happened, for example, in the potato marketing situation.

* * *

[*Translation*]

YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—POSSIBLE EXTENSION TO NON-STUDENTS

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I have a question for the hon. Secretary of State, primarily related to the Opportunities for Youth program.

Could the Secretary of State tell us whether the program was created exclusively for students or whether it also applies to unemployed young people in general?

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I have already had the opportunity to clarify that point in the House. The program's main objective is to provide work for students during the summer vacation, but those in charge of the program were considering inclusion this year of an additional group of non-student young people who, after approval of the projects, will make up some 7 per cent of those availing themselves of the benefits of this program.

* * *

MANPOWER

SUGGESTED PROGRAM TO ASSIST PEOPLE AGED 45 TO 65

Mr. Roland Godin (Portneuf): Mr. Speaker, I have a supplementary.

In view of the fact that most elderly people recently received an increase of the old age pension and that many young people will be able to avail themselves of the Opportunities for Youth program, could the hon. minister tell us whether he has considered announcing the creation of a permanent program for the thousands of Canadians aged 45 to 65 who are unable to find jobs?

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, the government has considered the matter, of course, but it does not come under the jurisdiction of my department and I do not believe I am qualified to reply to the hon. member's question.

* * *

[*English*]

TRADE

UNITED STATES DISC PROGRAM—USE BY FORD AND CHRYSLER—POSITION OF GENERAL MOTORS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. In view of the fact that the Chrysler Corporation has now joined the Ford Motor Company in exporting cars under the DISC provisions from the United States to Canada, can the minister inform the House whether or not he has obtained assurances that General Motors Corporation will not so act, or has he simply found out what General Motors intends to do?

• (1130)

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): No, Mr. Speaker.

Mr. Broadbent: In view of the fact that Ford and Chrysler account for approximately half the production of automobiles in Canada, and as their parent firms are now operating under DISC in clear contravention of the auto pact, is it the minister's view that even if General Motors does not join with them this violation of the pact will result, in effect, in terms of its consequences on unemployment and on trade in the automotive industry, in the abrogation of all the positive effects of the pact that were intended when it was signed?

Mr. Speaker: Order. My interpretation of the hon. member's question is that he is inviting the minister to express an opinion. In those terms the question is scarcely in order.

HUMAN RIGHTS

REQUEST FOR INQUIRY INTO ALLEGED INTERFERENCE WITH RIGHTS OF BROADCASTER, ROY JACQUES

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Minister of Justice. Will the minister undertake an inquiry into the case of broadcaster, Roy Jacques, and specifically into the allegation of interference on the part of the Secretary of State and the Minister of State from Calgary South, in violation of the Bill of Rights of Canada in so far as it guarantees freedom of speech and of the press?

Hon. Otto E. Lang (Minister of Justice): No, Mr. Speaker, I will not. I am satisfied there was no such interference of any sort.

Mr. Hellyer: Will the minister prepare legislation to establish the position of ombudsman reporting directly to Parliament so that citizens opposed to this government would have someone to turn to for the justice they cannot obtain from the government?

Some hon. Members: Oh, oh!

* * *

TRADE

UNITED STATES DISC PROGRAM—USE OF CUSTOMS PROCEDURES TO ASCERTAIN COMPANIES MAKING USE THEREOF

Mr. A. D. Hales (Wellington): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce supplementary to one asked earlier. Has he asked for the assistance of his colleague, the Minister of National Revenue, in scrutinizing and tabulating all invoices that accompany cars coming into Canada from the United States under the DISC program?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I can only repeat what I said a week or two ago, which was confirmed by the Minister of National Revenue, that we are looking at a customs procedure by which companies using DISC, or similar direct export subsidies provided by countries other than the United States, would have to indicate that they were doing so through a customs declaration.

Mr. Hales: Do I understand the minister to say that they have not started this tabulation program? In the meantime, what records will be kept?

Mr. Pepin: Mr. Speaker, this has not been set in motion yet.

CANADA-UNITED STATES—INQUIRY AS TO RESUMPTION OF DISCUSSIONS

Mr. David Lewis (York South): Mr. Speaker, arising out of the questions that have been asked today may I ask the Minister of Industry, Trade and Commerce what is happening with respect to the trade talks between Canada and the United States? Have any steps been taken to resume the trade talks, or is there nothing happening at the moment?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I was giving that answer yesterday when we were interrupted by a question from the gallery. If the hon. member will refer to *Hansard* he will find a very complete answer to his question.

* * *

NATIONAL DEFENCE

LAY-OFF OF CERTAIN EMPLOYEES AT CAMP BOUCHARD—REQUEST FOR DELAY TO SECURE OTHER EMPLOYMENT

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I wish to direct a question to the Minister of National Defence. It concerns the plight of 120 men, each with over 20 years service, who are about to be laid off today at Camp Bouchard in Montreal. Would the minister use his good offices to see whether or not this lay-off could be delayed until such time as offers of alternative employment could be made to these men, many of whom are veterans and are married?

Hon. E. J. Benson (Minister of National Defence): Mr. Speaker, I will look into the matter and report to the hon. member.

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BROADCASTING

CABLEVISION—NATIONAL POLICY—POSITION OF NEGOTIATIONS WITH PROVINCES—REVIEW OF MISSISSAUGA CABLEVISION DECISION

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I wish to direct a question to the Secretary of State. In view of the stated intention of three major provinces, Alberta, Ontario and Quebec, to enter into the cablevision field, can the minister tell the House whether he has been able to negotiate an effective national cablevision policy to take into account provincial interests in this field?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, negotiations, as is well known, have been going on for over a year. I must say that certain results have been achieved, that others are expected and that we have not given up.

[*English*]

Mr. Nowlan: I have a supplementary question dealing more specifically with the cablevision field. Has the minister proceeded to act on the recommendation from the broadcasting committee on the Mississauga Cablevision decision rendered by the Canadian Radio-Television Commission that the cabinet review that decision, and the direct request by the corporation of Mississauga to the cabinet that it review the decision? Has any action been taken?

[*Translation*]

Mr. Pelletier: The request of the town of Mississauga has been considered by the government, Mr. Speaker, but it was rejected because the cabinet did not feel there was sufficient reason to warrant asking the CRTC to review or to change that decision.

* * *

[*English*]

LABOUR CONDITIONS

POSSIBLE NEW WINTER WORKS PROGRAM—PRIOR CONSULTATION WITH PROVINCES

Mr. Doug Rowland (Selkirk): Mr. Speaker, my question is directed to the Prime Minister. It has to do with the undertaking by the government of Canada to the provincial governments that before any new winter works program is undertaken there will be consultations with them. Can he assure the House that such consultations will take place and, if so, when and in what form will they be conducted? Will they be in the form of a conference, or will there be consultations with individual provinces?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I can assure the House that any undertaking which was given by a minister of this government will be lived up to, in a manner to be announced.

* * *

AGRICULTURE

HOG DEFICIENCY PAYMENTS—PROCESSING OF REMAINING APPLICATIONS

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I wish to direct a question to the Minister of Agriculture relating to hog deficiency payments. Inasmuch as many producers have not yet received their hog deficiency payments, and since it is rather difficult to trace the status of the applications, can the minister advise the House when the remaining applications will be processed and, in fact, paid?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I cannot give a precise date. I can say that almost all of the applications that were accompanied by original grading certificates have been paid or will be paid by the end of this month. The others will take somewhat longer because we require an audit to make sure there is not duplication of payments. I am sorry that it takes so long to make this investigation but we are obliged to do so.

Mr. Mazankowski: Can the minister advise the House whether there is any mechanism set up to trace applications inasmuch as it is very difficult to find out whether or not applications have been received by the board?

Mr. Olson: There is a mechanism, Mr. Speaker, but unfortunately it is a difficult one to go through rapidly. Until the applications do in fact come up for processing and then are indexed according either to area or in alphabetical order, it is a matter of ploughing through the thousands that are in the pile awaiting processing.

ADMINISTRATION OF JUSTICE

INQUIRY AS TO ISSUANCE OF LISTS OF PERSONS ON TEMPORARY LEAVE WHO ARE SERVING PRISON TERMS FOR VIOLENT CRIMES

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Solicitor General. In view of recent unfortunate events, will it be the policy of the government in the future to issue periodically lists of those serving prison terms for rape, murder and other crimes of violence who are from time to time on leave from the prison so that the public can be aware of this and be on the lookout for these dangerous criminals?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, if such a policy were to be adopted, it would be necessary to do it also in connection with those who defraud small savers by cheating on the Stock Exchange, by going into fraudulent bankruptcies or by getting hold of companies for illicit trade purposes.

[*English*]

Mr. Hees: Would the minister not agree that there is a great difference between those serving terms for rape, murder and other violent crimes and those who have defrauded customers in the stock market?

Mr. Speaker: Order, please. That is an argument between the minister and the hon. member.

* * *

• (1140)

TRADE

REQUEST FOR ASSISTANCE TO CANMORE MINES TO MAINTAIN AND DEVELOP MARKET IN VIEW OF EMPLOYEE LAY-OFFS

Mr. Allen B. Sulatycky (Rocky Mountain): Mr. Speaker, I have a question I should like to direct to the Minister of Industry, Trade and Commerce concerning the announced lay-off of two-thirds of the employees at Canmore Mines. Can the minister assure the House that his department will use its influence to ensure that the foreign markets of this company are maintained and that new markets are developed in conjunction with the government if his department is asked to assist in that way?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, we will try to do that. Canmore is actually renegotiating its contract with its Japanese clients. With respect to the international marketing of coal, last year we sent a mission to Europe and this year a European mission is coming to Canada. Sample sales have been made. We will also have a group going to Latin America soon to enhance Canadian exports of coal in that area.

DEVELOPMENT OF EASTERN CANADIAN MARKET FOR WESTERN COAL—MEETING BETWEEN INDUSTRY AND GOVERNMENT OFFICIALS

Mr. Allen B. Sulatycky (Rocky Mountain): Mr. Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources. Is the minister giving consideration to convening a meeting of industry and government officials in order to attempt to develop an eastern Canadian market for western Canadian coal and to assist the industry generally in long-term aims?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, arrangements are now being completed to meet with western Canadian coal producers during the month of July to discuss both the short-term problems such as Canmore and the long-term problems of the industry. I would anticipate that the issues discussed by my colleague and referred to by the hon. member would come up at that meeting.

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AIR CANADA

REQUEST THAT PRESENT MAINTENANCE SERVICES AT SYDNEY AIRPORT BE RETAINED

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, in the absence of the Minister of Transport I direct my question to the Minister of Regional Economic Expansion. In view of the fact the minister has asserted on innumerable occasions that his job is to create employment in the Atlantic region of Canada, would he join with the Minister of Transport who is responsible for Air Canada and try to persuade that corporation to retain its present maintenance services at the Sydney airport as the removal of these services will create more unemployment and add to the already burgeoning load in that area?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I will surely be glad to discuss that with the Minister of Transport.

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IMMIGRATION

SUGGESTED GRANTING OF PERMISSION TO UMBERTO PAGAN TO DEPART VOLUNTARILY TO COUNTRY OTHER THAN UNITED STATES

Mr. Andrew Brewin (Greenwood): Mr. Speaker, may I address a question to the Minister of Manpower and Immigration. In view of the fact that extradition proceedings against Umberto Pagan which were initiated by the United States have been dismissed by a judge, subject to appeal, will the minister undertake to permit Mr. Pagan to effect his voluntary departure to some country other than the United States so that the extradition proceedings which have failed will not be indirectly enforced?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, Mr. Pagan arrived in Canada on August 31 on what is alleged to be a false passport and a false birth certificate and was subsequently arrested by the RCMP and ordered deported. His case was referred to the Immigration Appeal Board which upheld the deportation order. I understand that his lawyer has now appealed that decision to the Federal Court, so anything I might say at this moment could prejudice the case. In regard to the extradition charges against Mr. Pagan which were dismissed recently by the courts, I understand that an appeal against that decision will be launched by the Puerto Rican government.

Mr. Brewin: Assuming, however, that the extradition proceedings continue to be dismissed and the appeal is not allowed, will the minister, as I believe is the usual practice, permit Mr. Pagan to effect his voluntary departure?

Mr. Speaker: Order, please. The hon. member will appreciate that the question is hypothetical phrased in those terms, or should be considered to be a representation for the consideration of the minister. The hon. member for Témiscamingue.

[*Translation*]

Mr. Caouette: Mr. Speaker, I would have liked to put a question to the Minister of Regional Economic Expansion, but since he is not here, I will not ask it.

[*English*]

Mr. Speaker: The hon. member for Halifax-East Hants.

An hon. Member: Come back here, Jean.

Mr. Speaker: Order, please. The hon. member for Halifax-East Hants has graciously resumed his seat. Obviously he will allow the Chair to recognize the hon. member for Témiscamingue. I will then go immediately to the hon. member for Halifax-East Hants.

[*Translation*]

Mr. Caouette: I thank you, Mr. Speaker.

[*English*]

Sometimes the minister moves so fast that we do not know where he is.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

NEGOTIATIONS WITH QUEBEC AUTHORITIES AND BUSINESSMEN TO ESTABLISH NEW INDUSTRIES IN TEMISCAMING

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Minister of Regional Economic Expansion.

Did he recently meet Quebec officials concerning the establishment of new industries in Temiscaming? Has his department been making suggestions to the Quebec government or to businessmen concerning the establishment of industries in Temiscaming?

Inquiries of the Ministry

Hon. Jean Marchand (Minister of Regional Economic Expansion): I know some meetings were held, Mr. Speaker, and that discussions are continuing. However, I will have to inquire about the latest developments to answer adequately the hon. member's question.

* * *

[*English*]

HOUSING

REQUEST FOR TABLING OF REPORT ON LOW-INCOME HOUSING

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is directed to the Prime Minister. Would he arrange to have the Michael Dennis report on low-income housing tabled later this day should this interesting document arrive from the printer as I am informed will indeed be the case?

Right Hon. P. E. Trudeau (Prime Minister): I have no knowledge of that, Mr. Speaker, but I shall look into it.

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TRANSPORT

ATLANTIC PROVINCES—INQUIRY AS TO MEETING BETWEEN MINISTER AND PREMIERS TO DISCUSS PROBLEMS

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I have a question for the Prime Minister which I would direct to the Minister of Transport if he were here. Possibly the Prime Minister can be of some assistance. Can the Prime Minister inform the House whether an arrangement has been made between the Minister of Transport and the four Atlantic premiers to discuss specific problems in the field of transportation in the Atlantic region?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not aware of any such meeting but I shall inquire of the minister.

Mr. Coates: When the Prime Minister communicates with the Minister of Transport, will he ask him to make a statement indicating to the transportation industry in the Atlantic provinces and the people affected when such a meeting might be held?

Mr. Trudeau: I shall convey the suggestion of the hon. member to the minister, Mr. Speaker.

[Mr. Caouette.]

SCIENCE AND TECHNOLOGY

STEPS TO INCREASE SPENDING ON RESEARCH AND DEVELOPMENT

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, my question is for the Minister of State for Science and Technology and is prompted by the report of the Science Council of Canada that spending on national research and development has fallen well below the target of 2 per cent of the gross national product. Can the minister advise what steps he will be taking to improve the situation?

Mr. Speaker: Order, please. Perhaps the minister could reply briefly but the hon. member is inviting the minister to make a rather general statement. The minister will be given the opportunity to make a very brief statement at this time.

Hon. Alastair Gillespie (Minister of State for Science and Technology): Mr. Speaker, I think the implication is that a target of 2 per cent of the GNP was set. To my knowledge there is no such formal target. I think the right way of looking at research and development expenditures is to look at them on an individual basis in support of national policies and national objectives rather than to quantity them by 2 per cent or any other percentage figure.

* * *

ENERGY

PRICE OF NATURAL GAS—SUGGESTED REPRESENTATIONS TO ALBERTA BOARD TO PROTECT PUBLIC INTEREST

Mr. Max Saltsman (Waterloo): Mr. Speaker, I should like to address a question to the Minister of Energy, Mines and Resources. In view of the position taken by the Independent Petroleum Association in representations before the Alberta Energy and Resources Conservation Board to the effect that the price of gas should be set not on the basis of cost of production but rather on what the market will bear, a position which would result in private greed working to the detriment—

Mr. Speaker: Order, please. The hon. member is making a statement to the House. Perhaps he might ask the question.

Mr. Saltsman: I am coming to the question, Mr. Speaker. Is the minister making representations before the board or does he intend to make representations before the board in order to protect the public interest?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the province of Alberta is the basic owner of these resources and it is within its rights to have this type of hearing and make its own decison about the type of price structure there should be for this as for other commodities. This government will, of course, accept the judgment of the government of Alberta with respect to a commodity such as this which is under the jurisdiction of the province.

Mr. Saltsman: In view of the harm that may be done to the industry and to consumers in general, is the government making any study or giving any consideration to public ownership of the oil and gas industry?

Mr. Macdonald (Rosedale): Mr. Speaker, I would remind the hon. member that the government has a very extensive stake in Panarctic Oils, but otherwise we are not considering the hon. member's suggestion.

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CANADA DEVELOPMENT CORPORATION

PURCHASE OF CONNAUGHT LABORATORIES—REQUEST FOR ASSURANCE THAT PRICES OF INSULIN AND OTHER PRODUCTS WILL NOT BE INCREASED

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. In view of the grave concern over the sale of Connaught Laboratories, made famous by Banting and Best with the discovery of insulin, to the Canada Development Corporation and the fear of many diabetics and others that these famous laboratories will now become the pawn of a profit-making organization, can the minister assure the House that safeguards will be written into the contract to avert price increases in products like insulin, blood products and vaccines, and that research will be continued?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I was not aware that Connaught Laboratories had been sold to the Canada Development Corporation under duress. I would have thought the laboratory would find it very advantageous to be under the umbrella of the Canada Development Corporation.

• (1150)

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CANADIAN BROADCASTING CORPORATION

NORTHERN NEWFOUNDLAND—PROGRESS ON PROVISION OF TELEVISION FACILITIES IN ISOLATED COMMUNITIES

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I wish to direct a question to the Secretary of State who is responsible for the Canadian Broadcasting Corporation. Can the minister advise what progress is being made in the government's program which was announced many months ago to provide television communication facilities to isolated communities in those parts of the country that do not have them now?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Important progress, Mr. Speaker. The CRTC and the CBC have started consideration and planning of the development of transmitters and production centres which must be established in order to obtain the anticipated results, and the first part of this plan has just been submitted to the government.

[*English*]

Mr. Speaker: Order, please. Perhaps the hon. member might be allowed to ask a supplementary. I understand the hon. member for Simcoe North had a supplementary which was lost when the hon. member for Humber-St. George's-St. Barbe was recognized. He will be recognized following this supplementary.

Mr. Marshall: Will the minister look into the particular problem of northern Newfoundland as the people there have been waiting many years for a tower to be built to provide them with television facilities? Possibly the minister could reply by letter.

[*Translation*]

Mr. Pelletier: Mr. Speaker, this question was taken into consideration not too long ago and I think that it will appear among the rather high priority objectives in the expected developments.

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[*English*]

CANADA DEVELOPMENT CORPORATION

PURCHASE OF CONNAUGHT LABORATORIES—REQUEST FOR ASSURANCE THAT PRICES OF INSULIN AND OTHER PRODUCTS WILL NOT BE INCREASED

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, the question I asked the minister was simply this: Would he assure the House that safeguards will be written into the contract to avert price increases in products such as insulin, blood products and vaccines? That is the question I asked.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I will look into that, Mr. Speaker.

* * *

INDUSTRY

MUSIC RECORDING—POSSIBILITY OF REPORTED DROP IN CANADIAN PRODUCTION BEING DUE TO UNITED STATES DISC PROGRAM

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, my question to the Minister of Industry, Trade and Commerce relates to an earlier series about export and import problems. Is the minister aware that in spite of the 30 per cent Canadian music content required by the Canadian Radio-Television Commission for recordings played over radio stations in this country, it has recently been reported that Canadian recording production is down by approximately 50 per cent this year? Has the minister had an opportunity to find out anything about this phenomenon?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): No, Mr. Speaker, but offhand I would say that it is contrary to everything I have read on the subject. However, I will look into the matter.

Mr. Rose: Does the minister have any evidence to come to the conclusion that perhaps United States recording companies with subsidiaries in Canada are cutting pro-

duction in this country in order to profit from the DISC program in the United States?

Mr. Pepin: Mr. Speaker, with regard to the general situation about the effect of DISC on Canadian industry, I have developed a position which is to be found at the top right-hand side of page 2191 of *Hansard*. At that time I said I would look into any particular situation, and we will look into this one.

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INQUIRY OF THE MINISTRY

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I have a question for the Prime Minister. Can the Prime Minister state why nine ministers are openly defying his own roster system and attending the House today when they should not be here? Also, can the Prime Minister say whether this is a hangover from Harrington Lake on Wednesday night?

Some hon. Members: Oh, oh!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, in view of the fact that this will probably be the last day of this Parliament, I graciously gave consent to these ministers to come and see the hung-over members of the opposition.

Some hon. Members: Hear, hear!

Mr. Bell: Is the Prime Minister not aware that this is the last time these ministers will be here in their present capacities?

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

CANADA LABOUR CODE

AMENDMENTS RESPECTING INDUSTRIAL RELATIONS, LABOUR RELATIONS BOARD, INDUSTRIAL INQUIRY COMMISSION AND CONCILIATION BOARDS

The House resumed, from Tuesday, June 27, consideration of Bill C-183, to amend the Canada Labour Code, as reported (with amendments) from the Standing Committee on Labour, Manpower and Immigration.

Mr. Lincoln M. Alexander (Hamilton West) moved:

That Bill C-183, to amend the Canada Labour Code, be amended by deleting lines 33 to 39 on page 3 thereof and by substituting therefor:

"(ii) entitled to receive remuneration for driving the vehicle in addition to and separate from the amount he is paid for providing the vehicle, and"

[Mr. Rose.]

He said: Mr. Speaker, the gist of this motion is to register some concern about the fact that one result of the subclause which defines dependent contractor may be the demise of the independent contractor. This subclause of the bill as presently drafted appears to be the only attempt to differentiate between independent and dependent contractors, and is based on a common purchasing arrangement which does not take into account two distinct situations.

I would like to point out the situations of which I believe the government was not fully aware when drafting this bill which, of course, deals with the owners of trucks or the drivers of trucks, as the case may be. There are two distinct situations. The first is the truck which is owned and operated by a company. The problem arises in the second situation. This is where the same company is employing trucks, owned or leased and operated by persons on a contractual basis. In this regard, we have to ascertain who, in fact, is a dependent contractor and who is an independent contractor. I find no qualms with respect to giving the opportunity to a dependent contractor to become involved with this act but the subclause is drafted in vague generalities.

The purpose of this amendment is to at least clarify the difference between a dependent contractor, who in fact receives remuneration for the operation of his truck plus a further sum for the use of his driver, and an independent contractor who is usually paid one sum, whether it is a flat rate per mile or for the use of the truck in these particular circumstances. Although there is no question about the need for this particular subclause in the definition section, I think it is too broad and we cannot afford the demise of the independent contractor. As a matter of fact, many letters have come to my attention, as well as to the attention of two other members, to the effect that the independent contractor does not like nor does he have the desire to be involved as a driver with drivers of company trucks. One can readily see that a very serious situation can develop when company drivers are involved in union matters or union agencies with independent truckers who drive their own trucks. It is obvious that this can result in some problem.

It has been pointed out to me by the independent contractor that he negotiates his own contract, owns and drives his own trucks, arranges his own maintenance, his hours of work are arranged to suit the operation of the truck and the hours of work, the working conditions and the earnings are not related to carrier-owned trucks or drivers. What I am seeking to do is to clear up cases which involve a contractor working under a contract which entitles him to receive remuneration for driving a vehicle in addition to an amount paid for providing a vehicle. The clause as presently drafted is not clear on this point; it covers common carriers and other employees. The amendment seeks to clarify a complex clause.

• (1200)

Hon. Martin P. O'Connell (Minister of Labour): This subject has been examined again by officials of my department. I have looked at it as well. I appreciate the hon. member having raised it previously in committee where a discussion took place, and again here this morning. He says he sees no difficulty about the provision in

principle, but finds it too sweeping and inclusive. On the other side, we think the definition proposed by the hon. member for Hamilton West (Mr. Alexander) is unduly restrictive. On balance, therefore, I would ask him to accept the best judgment of those familiar with the industry in my department and allow the definition to stand. If we followed the line he is suggesting, it would cover a very small category in our view.

The key to the definition is not really the question of remuneration but the use of the vehicle. If the vehicle is governed by a contract, that is the determining factor, not the manner in which remuneration is received. Undoubtedly, if the labour relations board were asked to determine whether such and such a person was an employee under the terms of this act, that is to say, a dependent contractor, the question would revolve around the use of the vehicle in terms of the contract. It would involve, also, the entitlement of the owner or operator to retain whatever amount was left over after expenses. That amount might, in the ordinary course, be thought of as remuneration but it could be a broader concept. I hope the House will allow us to retain the definition as it now stands.

Mr. Alexander: Are we not placing ourselves in the position in which an independent contractor will be unduly affected by the definition section? In other words, will he not be associated for bargaining purposes, or when applications are made for union certification, with the drivers of a common carrier? Is this not the problem? Should there not be some concern in this regard?

Mr. O'Connell: I do not share that concern. If a man is truly an independent contractor and can use his vehicle as he determines, the question of remuneration is not the governing one. I cannot see how a truly independent contractor would be pulled into a collective agreement or into a bargaining unit. The issue would hinge on the use of the vehicle as determined by the contractor.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the said motion? Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

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

Motion No.2 (Mr. Alexander) negatived on division.

Mr. Mark Rose (for Mr. Barnett) moved:

That Bill C-183, an act to amend the Canada Labour Code, be amended by deleting from Clause 1, lines 1 to 8 at page 4, and substituting therefor the following:

"(b) a fisherman who is engaged in commercial fishing and accepting or receiving payment, according to the volume and price of fish caught and delivered, from a commercial buyer of fish, whether such fisherman (i) owns and operates his own fishing vessel, provided he as master-owner of a fishing vessel does not employ or engage more than two additional fishermen who share in the proceeds of the fishing voyages, or (ii) shares in the operation of a fishing vessel owned by another person and receives in payment for his services a share or portion of the proceeds of the fishing voyages, or (iii) operates a fishing vessel owned by another person under a rental agreement or conditional sales agreement or any other form of oral or written agreement, or (iv) receives wages for all or part of his employment on a fishing vessel or in fitting out a fishing vessel on which he will be employed."

He said: Mr. Speaker, I am speaking on behalf of my hon. friend from Comox-Alberni in whose name this motion stands. I regret that my hon. friend is not here. He has been very diligent in pursuing this whole question during committee hearings. He has concerned himself with the representations we have heard from the Fishermen's Union and other groups interested in this matter.

It is an important matter to me because a great many fishermen reside in my constituency. Unfortunately however there are far fewer fishermen there now than there were before the Minister of the Environment (Mr. Davis) introduced his new licensing regulations. But that is another question.

• (1210)

A look at the motion reveals the nub of the issue in this case, which is whether or not fishermen can be regarded not as part of some shared venture but as employees for the purpose of this legislation. This question is extremely important to the fishermen. Their national annual income is not very high. It is true many of them work on a share basis, but in many instances they have no alternative. A great number of fishermen are not adequately represented by a union and because of this are forced to work under appalling dangerous conditions at not very remunerative rates at the behest of the large, well-organized, vertically integrated fishing companies. We all know what vertical integration implies. In my view these fishermen are in no way part of a shared venture; they are in fact, employees. The bait—if I may use a fishing term—that is dangled before them in terms of shares is acceptable to them only because up until now for many there has been no reasonable alternative.

During the hearings of the standing committee I was most impressed with the representations made by the United Fishermen and Allied Workers' Union, and I should like to quote what one witness, Mr. Homer Stevens had to say, as found at page 10:49 of volume 10 of the committee proceedings:

We believe all fishermen, whether they are working aboard vessels owned or operated by fishing companies that are vertically integrated to the point where they own and operate the plants as well as the boats, whether they are employed on vessels owned by other fishermen who deliver under various forms of contract to those same companies or whether fishermen are employed on their own one-man or possibly two-man boats operated in a partnership in which they either own the vessel or are attempting to own it under various kinds of contracts, mortgage contracts or conditional sales agreements—all these should be covered under the new legislation so that the right to bargain collectively would be there to provide equal opportunity to them as with other employees and in order to have their unions certified under the

law. This would remove the courts as they are now in the role of sole supreme arbitrator with the power to classify fishermen's unions as illegal conspiracies or during strikes, to state that fishermen are not on strike, that since there is no employer-employee relationship, in their opinion, they are nothing more than illegal conspiracies in defiance of various parts of the common law, with the end result being that fishermen who are attempting to improve their conditions of life, their job opportunities, earnings and so on can find themselves faced with heavy fines, goal sentences, damage suits and all the attendant legal expenses arising out of appeals on that kind of case.

I recognize that exists some doubt whether or not this amendment is constitutionally sound. There are various legal opinions on this and the department, through Mr. Mitchell, expressed one opinion. Various consultations with lawyers held privately by the hon. member for Comox-Alberni and others indicated that the constitutional question is not closed at all. The kind of thing envisioned by this amendment would do a great deal to enhance the security and the income of fishermen on both coasts and I think it should be tried.

I think it is well recognized that special provisions are made for fishermen under the unemployment insurance legislation. The reason is that, for the purposes of that legislation, fishermen are recognized as employees not as co-adventurers at all. I do not want to make a long speech on this subject since a great many words have already been said on it already. However, the evidence upholds the validity of UFAWU's argument, and I do not understand why the government tends to be reluctant to embrace this requested definition of an "employee" concept, unless it is because the government is unduly influenced by a strong lobby by the various wealthy fishing companies, though we do not need to use the fingers of both hands to count them since the number in this country is very small and is decreasing.

The position of these companies is virtually one of monopoly, of vertical integration. Therefore, I urge the minister in the strongest terms at my disposal to recognize the rights of these people as employees and to accept the motion.

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, I appreciate the remarks of the hon. member for Fraser Valley West (Mr. Rose), who is not only giving his own views but those of his colleague from Comox-Alberni. The views of his colleague were very ably and extensively presented to the standing committee. I met at least twice with delegations from the United Fishermen and Allied Workers' Union and I received representations from the Fisheries Council of British Columbia. In addition, I have had representations from my colleagues on this side of the House, the hon. member for Burnaby-Seymour (Mr. Perrault) and the hon. member for Burnaby-Richmond-Delta (Mr. Goode).

There is a very high degree of interest in this question and I have publicly stated I am not unsympathetic to it. In fact, at one point I went further than perhaps I should when I said I thought the fishermen had an unassailable case. But sympathy for a cause does not necessarily make it legal to go further than we are proposing to go. There is no question that the modes of work in the fishing industry are quite varied. Where employees on fishing vessels work for the owner, the situation is clear cut. We have gone

[Mr. Rose.]

beyond that and made available the benefits of the Labour Code to those who share the cash return, those who are co-adventurers, and this is a significant step forward. However, it still leaves out that group of fishermen who would undoubtedly benefit, as in my view the industry would benefit, from their inclusion in collective bargaining arrangements.

I cannot bring myself to ask this House to pass a provision which, according to the best legal advice that I have been able to get, would be ultra vires the powers of Parliament. We have therefore defined "employee" in such a way as to make available collective bargaining for more members of the fishing industry than has hitherto been the case. We believe that this is within our constitutional jurisdiction.

Although we are sympathetic to, and concerned for, this other group, I cannot ask the House to lead us into an area which in the present circumstances we think would be unconstitutional. There was a very extensive and useful discussion in the standing committee which is on the record, but I must ask my colleagues to let us proceed with the present definition, and to hope that as a result of provincial and federal activity in the future collective bargaining will in fact reach all of the members of this industry.

Mr. David Lewis (York South): Mr. Speaker, I rise to see whether even at this late date I can persuade the minister to ignore the bureaucratic legal advice that he has received and to look at this proposition more favourably. I address myself to him in what I hope is a co-operative plea that he reconsider his position. Let me put this to him. What he has done in the amendment he has proposed is to define the word "employee" as something beyond what an employee is under the common law. He has already taken the legal step which, in effect is that even where there is no employer-employee relationship as recognized in the ordinary law, such people can still come within the scope of the act.

• (1220)

If I may, I assure the minister that what I say is a correct statement because under various labour relations acts in this country, not only the federal act but also the Nova Scotia act, there have been cases before the courts where this has been decided. Without having had time to make a search, I can recall what I always have known as the Lunenburg case in which the courts of Nova Scotia held that co-adventurers such as are described in the amendment the minister has proposed to the bill are not employees. Because they are not employees under the common law, they cannot be considered to be employees under the Nova Scotia Labour Relations Act.

Clearly what the minister has done in the amendment he has proposed with regard to co-adventurers in the fishing industry has been to say in effect that, notwithstanding the fact that these people are not employees in the ordinary legal sense of the word, they are to be recognized as employees for the purpose of this act. I think that is a correct statement of what he has done. They are not employees and the courts have held that. That is not my statement, the courts have held that in the Lunenburg case and in others. They have held that co-adventurers

are not employees in the ordinary common law sense of the word. I repeat that what the minister is saying in this proposed law is that although fishermen who share the catch and are co-adventurers in their fishing trip are not employees ordinarily under the law, he makes them employees for the purpose of this act. This is clearly within the powers of the legislature.

What the hon. member for Comox-Alberni (Mr. Barnett) and the United Fishermen's Union say to the minister is simply this, and I ask him to consider it in this light because, with great respect, I think he has misled himself: You are recognizing that a co-adventuring relationship will be an employee relationship for the purpose of this act. We are saying to you that this only covers a small or large proportion and I really do not know which, of those engaged in the fishing business. There are other situations such as a fishing vessel with an arrangement with a commercial buyer. The commercial buyer will buy all the fish caught by that vessel and the remuneration to the fishermen engaged in the catching will depend on a division of the spoils, and they are usually pretty darn small, which they get from the commercial buyer. That is really what this amendment proposed by the hon. member for Comox-Alberni says.

The hon. member suggests four ways in which this may come about, and the minister could have changed the language to avoid some of the traps he thinks are there, but essentially what we are saying to the minister is that there is a large number of fishermen who are not co-adventurers in the sense in which he describes them in his amendment to the law, but are co-adventurers in another sense. At the request of the hon. member for Comox-Alberni I read the minutes of the parliamentary committee and the discussion between the member and Mr. Mitchell from the minister's department. As a lawyer as well as Member of Parliament, I am really at a loss to understand the basis of Mr. Mitchell's argument. Surely, the situation is this. The entire labour code is applicable only to those areas of activity which come under federal jurisdiction. Anything that is in the labour code which goes beyond that is therefore ultra vires. It is still understood in the law in the many cases that have come before the courts that our federal Labour Code, under its previous name as well as its present name, applies only to industrial activities or operations, whatever you want to call them, which come under federal jurisdiction.

That is how the minister is saddled with the longshoremen's problem in Montreal. Some years ago there were cases before the courts in which stevedoring companies took the position that all the activities connected with stevedoring that take place as they do in Toronto, Montreal, Trois-Rivières or Quebec, come under provincial jurisdiction. I forget the name of the case, but it is there and the minister's advisers can find it. That case went to the Supreme Court of Canada which held that in view of the specific provisions in Section 91 of the British North America act, making shipping and related matters federal, all the operations which relate to or are connected with shipping operations come under federal jurisdiction. That is how the poor minister is now loaded with the problems of the longshoremen. There was an argument as to whether it came under federal jurisdiction and the Supreme Court of Canada ruled that since it was connected with an operation which was specifically under a heading in Section 91 of the BNA Act, it was federal. I say to him that fishing is under a specific heading, I forget which one, in Section 91 of the BNA Act. Therefore, if he accepts this amendment he would be in no different position from the one he would be in as a result of the amendment he has proposed.

I cannot understand the legal argument that was made because the amendment he proposed will be constitutional only to the extent it is held that co-adventuring operations in which fishermen participate come under federal jurisdiction. In the same way, the amendment proposed by the hon. member for Comox-Alberni would be constitutional to the extent that the operations of fishermen there defined come under federal jurisdiction. What in heaven's name is the difficulty?

The minister cannot now decide whether these operations will come under provincial or federal jurisdiction. I say to him in all kindness that it is impossible for Mr. Mitchell or anyone else to make that decision, because that decision can only be made by the courts after they have heard the facts of the case, after they have had before them all the facts of the relationship regarding the operation and the facts regarding the way in which the fishing is done. That is the only way a decision can be made. It cannot be made in the abstract, and I am surprised that the legal advisers are trying to make it in that way.

Let me repeat again my plea that the minister reconsider, because I am bold enough to suggest that the legal advice he has given needs at least a second look. The legal principle is not different as between the amendment he proposed and the amendment proposed by the hon. member for Comox-Alberni. As far as the legal principle is concerned there is no difference. Either both of them are unconstitutional or both are constitutional, and I think they are the latter. They are constitutional only to the extent that a court would hold the operations being carried on are operations under federal jurisdiction because of the presence of fishing under a specific heading in Section 91 of the BNA Act.

• (1230)

It is really just as simple as that at this stage. It may be very complicated later if a buyer of fish, for example, challenges it and goes to court. That may be a complicated case, but I suggest to the minister, and I am putting it strongly, that it is wrong for him to decide in the abstract now that his hands are tied. There are many things which have been passed by Parliament and by our legislatures which have gone to the courts and which the courts have said are ultra viries. This would not be the first time that has been done. That result has come about following some legislation. I do not think the minister is right in deciding that in this case he will make this decision now concerning its constitutionality, instead of taking the position that he wants to extend this law to the fishermen of Canada so that they may have advantage of the Labour Code and collective bargaining. He should extend it within the parameter of the constitutional provisions and let the courts decide on that parameter as no doubt they would do.

The merchants of fishing are a pretty tough lot and they may take the matter to court. It may be that the minister's argument will lose. We do not guarantee that it will win. However, I suggest the minister really is being misled in his view in deciding that he cannot now have this House pass this amendment, because I am confident in my own mind that in some areas this amendment would stand up as valid, just as I think there are possibly other areas in which the amendment would not stand up as valid. That would depend entirely on the decision of the courts. I repeat that the minister cannot make that decision when he does not have the facts. That decision can be made only on the facts of each case and to make that decision in abstract is a disservice to the fishermen. He cannot, in my opinion get away with dealing with some of them and not dealing with the others. In legal principle, both are in the same boat if I may put it that way. I earnestly appeal to the minister and say to him that I believe this is an important matter for the fishermen.

Since the minister has agreed to take a partial step, he ought to take the complete step and not be, as the right hon. gentleman from Prince Albert (Mr. Diefenbaker) would put it, pusillanimous about it. He should take a chance and let the courts decide. If the courts should knock him down, he would not be the first minister to be knocked down by the courts.

Mr. Deputy Speaker: Order, please. The minister has spoken. If there is consent of the House, the minister may speak again. Is there such consent?

Some hon. Members: Agreed.

Mr. O'Connell: Mr. Speaker, I shall be very brief. I listened with a great deal of interest to the line of argument presented by the hon. member for York South (Mr. Lewis). I think I will have to resist any temptation to enter into a legal debate with such a distinguished lawyer and counsel. First, may I say that I am satisfied with the advice I have had from my officials and with my own study of the situation. Perhaps I ought to enter into a little of the legal argument which has been presented. I do not wish to provoke any further argument, but I feel it is necessary at least to show the hon. member some of the grounds for the position in which I find myself.

It is true that the proposal in the bill before us may indeed be tested in the court. I am confident it will be upheld. I am equally confident at this point of time that to move beyond the position we are now in would be to tempt the fates, and might indeed jeopardize the step we are already prepared to take into an area which may not be absolutely clear constitutionally but which, in my view, will stand up constitutionally when tested but which might fall down constitutionally if it over-reached itself. We are in the position of I believe, Macbeth, of whom it was said, vaulted ambition over-leaped itself and fell on the other side. I do not want to be in that position. I do not want to place the House of Commons in the position where the courts would say it has over-leaped itself. I say that for this reason.

It is true that section 91 brings fishing under federal jurisdiction. The bill before us, however, is concerned with employers and employees who happen to be in the fishing industry, but we have to find an employer—

Mr. Lewis: No.

Mr. O'Connell: —if we have a fisherman, who is employing that man. This labour bill is about collective bargaining between employers and employees.

Mr. Lewis: Who is the employer or co-adventurer?

Mr. O'Connell: I am asked who is the employer or co-adventurer. We think we can discern an employer who is the owner of the boat, or the other persons can be deemed to be employees of an employer among themselves. But the employer is not a fishing company on shore.

Mr. Lewis: That is legal nonsense, for heaven's sake.

Mr. O'Connell: The hon. member says that is legal nonsense. He will soon be leading me into a legal debate, and I have said that I do not wish to co-adventure with him in that boat. I would merely state that we feel the step we are taking will stand up and that the next step would take us into an area where we could not find an employer under federal jurisdiction but would find somebody on the shore, perhaps a fishing company which is a processor not within our jurisdiction. I think there is a difference between the two positions advanced. I should like to accede to the very cogent case put forward by the hon. member for York South, but I must persist—

Mr. Knowles (Winnipeg North Centre): In being wrong.

Mr. O'Connell: —in being not pusillanimous, whatever the word is. I hope the bill as it is will be supported.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I do not know what that bad word is either, but if it means pussyfooting around, the minister sure is doing that. The minister rose to explain why he does not intend to accept this amendment. I certainly do not intend to become involved in the argument because fishermen are rather scarce in my area. What really bothers me about much of this legislation, however, is that the minister obviously is not able to change his mind because his officials have decided that is the way it is to be.

Mr. O'Connell: That is not so.

Mr. Peters: I am sure it is. This minister is considered to be one of the smart ministers in this House, a man who can make up his own mind. He heard a very good argument. I do not think he disagreed with it but decided that it did not meet the views of his officials. He sounded more like Paul Martin than a bright young cabinet minister in 1972.

Mr. Knowles (Winnipeg North Centre): His name is Martin.

Mr. Peters: It seems to me the whole situation has changed, particularly in respect of western fishing. I have listened to the argument of Homer Stevens for many years now. It seems to me that as a result of the license changes and the assistance we have given in terms of

developing very large canneries on the west coast, where we have in effect amalgamated all the facilities, we have made it impossible for most fishermen to own their own boats. We have amalgamated them into what the Minister of Agriculture (Mr. Olson) would call a more viable industry. We have made so many changes that the people who are engaged in the fishing industry on the west coast are having considerable difficulty in labour relations or in understanding whether or not the fact that they are fishing from the boat means that they are employees of the man who owns the boat, employees of the man who buys the fish or, as the minister said, co-adventurers.

• (1240)

I know nothing about the law but I think it is not my job as a legislator, and I suggest it is not the job of the Minister of Labour as a legislator, to decide whether or not the Supreme Court, under a given circumstance would make a favourable decision. But I do suggest that we have an obligation to meet the condition as we see it today, and to draft legislation that will solve that problem. So far as I am concerned if the Supreme Court decides that we were wrong, then we have an obligation to come before Parliament again and change the legislation to accomplish what we wanted to do in the first place. If the Supreme Court says that it must be done in another way, we should pass amending legislation.

The role of the legislator is to solve the problems of the people whom he represents, and in this case those who are engaged in the fishing industry are in serious difficulty. They are in a totally unique industry in which the Unemployment Insurance Commission has had to make all kinds of exceptions. There are other industries in the same position, but it seems to me that until cabinet ministers decide, after hearing the advice, that they know the problem, until they make up their minds to introduce legislation that will solve the particular problems affecting the Canadian people without always looking with one eye at the civil servants, who obviously feel that they would be in a bad position if they recommended any course which would not be upheld by the Supreme Court, we have to press the Supreme Court to make decisions. If the Supreme Court is the viable body that it must be in making final judgments it will also look at modern, up-to-date conditions rather than attempt to interpret the legislation in a cold and distant way. I suggest that we should press the Supreme Court to make decisions and in this way our constitution will be viable and up-to-date.

If the minister will not even introduce legislation that will enable the Supreme Court to make a favourable decision, then he is less than responsible and certainly not very adventurous.

Mr. Lewis: Mr. Speaker, I realize that I have already spoken but may I, through you, ask for consent to take two or three more minutes?

Mr. Deputy Speaker: Does the hon. member for York South (Mr. Lewis) have consent to make additional remarks?

Some hon. Members: Agreed.

Mr. Lewis: I just want to address myself again to the legal point which the minister raised. It is the advice which he received that makes me so upset about the decision he made. If Mr. Mitchell or any of the minister's other advisors are in the gallery, I hope they will forgive me for speaking frankly, as I do. What the minister has said, and what the argument of Mr. Mitchell was as I read it in the committee's proceeding, is that they are probably dealing with a person, using "person" in a legal sense, namely a company, that does no more than purchase and sell the fish or does no more than process the fish. What right has the minister or his advisers to make that decision? If those are the facts in a particular case, if the company in fact has nothing to do with the fishing operation, then there may be constitutional difficulties, although I would not be certain of it even in that case. But in the modern fishing industry and in other industries as well, those are not always the facts. A company that purchases or processes is often very likely to have made some kind of capital advance to the owner of the vessel or may even own the vessel or may have some kind of business arrangement with the people who operate the vessel.

There are all sorts of sets of facts that may come before the Court. We are dealing in this case, as in many other cases, with an integrated industry, and frequently the buyer and the processor have an interest in the fishing operation in one form or another. For all the minister knows, he may find cases, and I have read about them in the law books when I practiced labour law, where the company has the authority to decide who will be master of the vessel and to decide who will be hired to operate the vessel. I say to the minister that these things are not simple. They are complex sets of facts, and I can visualize a situation where it would be possible to persuade the court that the particular set of facts in that situation, the involvement of the purchaser and the processor in the fishing operation, is such as to make him a fishing employer for the purpose of this act.

This is the situation, and the minister is really running away from his responsibility by taking the advice which he has been given on the basis that this is a simple factual situation. Well, it ain't, Mr. Speaker, if I may use that well known Oxonian term. These things are not like that at all. In labour relations, with regard to the constitutional problem, there have been cases which have turned on the facts of the case, cases which may appear to the minister or to me to be very similar which have gone in the other direction because of facts which were brought before the court. I say to the minister that there is nothing in the situation that would justify his acceptance of the advice which he has been given, there is nothing that would justify his assumption of facts which have not been tested, and I think that his duty is to enable all the fishermen to come under the Labour Code now that he has taken that step. I congratulate him for taking it. I am very pleased that he has done so, and so is the hon. member for Comox-Alberni (Mr. Barnett) and all my other colleagues.

I suggest to the minister that it is his duty to take this step and to let each case depend on its facts. The courts will decide. There is nothing humbling or humiliating about this Parliament saying that we want the fishermen covered by this law and then finding that in some cases

the courts say they are not covered by this law because the law to that extent is invalid. To assume that a particular company carries on certain operations and therefore cannot possibly be involved in the fishing operation is a false assumption; it is just not factual. The facts will be the basis of any court decision, and the minister should not make the decision without giving the court a chance, and without giving the fishermen a chance, to fight their case in court. Let them go to court and fight the case. It will not be up to the minister to fight it. In any problem like that, even though the constitutional argument may be involved, it is not necessarily the Attorney General of Canada or of a province who is involved because they are usually given notice so they can be there if they want to, but it is not necessarily they who carry the case. In this case it will be the fishermen and the alleged employer who will carry the case. I do not think the minister should take from the fishermen the opportunity to fight their cases through the courts. Some cases they will lose and some they will win, and those that they win will be very important for the people involved.

• (1250)

Again, I appeal to the minister not to rest on the advice he has received. Since we are almost at one o'clock, and if the minister is ready to reconsider, we might call it one o'clock to give him another opportunity to discuss it with his advisers. But if he is not ready to reconsider it, what can one do?

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

Some hon. Members: Question.

Mr. Deputy Speaker: All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 75(11) the recorded division on the proposed motion stands deferred.

Mr. Lincoln M. Alexander (Hamilton West) moved:

That Bill C-183, An Act to amend the Canada Labour Code, be amended by deleting lines 15 to 22 on page 4 thereof and substituting therefor:

"employee" means any person employed by an employer and includes a dependent contractor and a private constable, but does not include a manager or supervisor or any other person who, in the opinion of the Board, performs management functions or is employed in a confidential capacity in matters relating to industrial relations;"

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

Some hon. Members: Question.

[Mr. Lewis.]

Mr. Deputy Speaker: All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 75(11) the recorded division on the proposed motion stands deferred.

Mr. Lincoln M. Alexander (Hamilton West) moved:

That Bill C-183, An Act to amend the Canada Labour Code, be amended by deleting lines 33 to 40 on page 17 thereof.

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

Some hon. Members: Question.

Mr. Deputy Speaker: All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it. The motion is negatived on division.

Motion No. 5 (Mr. Alexander) negatived.

Mr. Lincoln M. Alexander (Hamilton West) moved:

That Bill C-183, An Act to amend the Canada Labour Code, be amended by deleting line 44 on page 35 thereof and substituting therefor:

"logical change, or"

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

Mr. Alexander: Mr. Speaker, I have a suggestion to make at this particular time. Since some government members have an interest in this motion, and have indicated that they want time to look into the matter further, in order to acquiesce in their suggestion I would call it one o'clock, if I may.

Some hon. Members: Agreed.

Mr. Deputy Speaker: I will put the matter so that hon. members may indicate to the Chair whether they are in agreement. Is there agreement to call it one o'clock.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: There is no consent.

Mr. Alexander: Mr. Speaker, for the benefit of those who said no on the government side, I would like to say that the suggestion I put forward came to me from the government side, and in order to co-operate I was prepared to do that.

Mr. O'Connell: Let us try it again.

Mr. Alexander: I think it is extremely unfair. Some members really do not know what is going on. They have holidays on their minds, and from force of habit stand up and say no.

Mr. Knowles (Winnipeg North Centre): They did not even stand up to say it.

Mr. Alexander: They did not have the courtesy to stand up so that at least they could be recognized. I am sick and tired of that type of pussyfooting. The only thing I was trying to do was bring some sense of responsibility to the House. I repeat that the suggestion was made to me by a government member. I do not want to single out any particular government member; I don't think that would be fair, but it came from one in high authority. It was he who came over and asked me if I would defer this particular motion. I might say that it was the Minister of State from Calgary who voiced one very loud no. Now that he knows what the situation is, perhaps the suggestion could be put once again.

Mr. Mahoney: Mr. Speaker, if it is the wish of the hon. member to stand the motion, perhaps he could ask consent of the House to stand it.

Mr. Alexander: No, that is not the point.

Mr. Deachman: On a point of order, Mr. Speaker, during the course of this discussion we have come so close to one o'clock that I think we would be prepared to call it one o'clock and rise.

Mr. Deputy Speaker: Is there agreement of hon. members that I call it one o'clock?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Laniel): Order, please. When the House rose at one o'clock we were about to consider Motion No. 6.

Mr. Alexander: Mr. Speaker, this is one of the more interesting sections in the entire bill. First, we would be faced with a situation that we did not have to be concerned about in the present labour bill inasmuch as we have brought into play the results of technological change and its effects upon employer and employee.

I should like to say that notwithstanding what we may do regarding the bill presently before us management and labour, particularly labour leaders, must realize that it is important and necessary for them to have at least three criteria in order to save the whole collective bargaining process. I shall elaborate on them in this way.

First, we cannot continue to have the collective bargaining process involved with confrontation rather than negotiation. It is necessary that the parties realize that the third party involved in the collective bargaining agreement, that is the Canadian public, is becoming very involved in them even though it does not sit at the bargaining table. It is, therefore, incumbent upon labour and management to bargain in good faith and this should be one of the foundations of the whole system. At the present time I do not think that employers and labour leaders are bargaining in good faith.

The second criteria to be met is that the two parties should approach the bargaining table from flexible positions. We will never get anywhere unless they do.

The third criteria would provide for full disclosure. There is no point in going to the bargaining table unless all the facts are put on the table so that solutions can be arrived at which will benefit the employee, the employer and, more important, the third party.

When this bill was first introduced as Bill C-253, there was a great furor and cries of dismay and despair. And rightly so, Mr. Speaker, because in the first place, there were no escape clauses. There was no way for management and labour to decide by themselves whether they could reach the type of agreement that this bill calls for in terms of the effect of technological change, so in its wisdom the government introduced another bill. And this is where we come in now, Mr. Speaker, at clause 149, which I refer to as the escape section.

There are three instances, and I shall not elaborate upon them, in which the parties would not have to rely on clauses 150, 152 and 153, which are the basic clauses dealing with technological change, if, first, notice is given prior to entering into a particular collective agreement. The second escape clause is, of course, 149(2)(b), which reads:

> the collective agreement contains provisions that specify procedures by which any matters that relate to terms and conditions or security of employment likely to be affected by a technological change may be negotiated and finally settled during the term of the agreement;

As I understand it, Mr. Speaker, there was some question whether these two clauses were disjunctive. We now know that is so and we have two escape provisions so far. The third escape provision is the one referred to in clause 149(2)(c) which reads as follows:

> the collective agreement contains provisions that
>
> (i) are intended to assist employees affected by any technological change to adjust to the effects of the technological change; and
>
> (ii) specify that sections 150, 152 and 153 do not apply, during the term of the collective agreement, to the employer and the bargaining agent.

• (1410)

What concerns me, and this is the gist of my motion, is that subclause (c) is not just junk. I pose this question because it seems that within subclause (2)(c) you have some groundwork whereby if the parties in the collective agreement can bring about some formulae which are intended to assist employers affected by technological change to adjust to the technological change, that should stand by itself and rightly so. If two parties can sit down and say this is what we will have in our agreement in order to show an intention of what labour and management desire in terms of the effects of technological change, why can it not stand by itself? The government says no, we cannot do it that way; we have to bring in the words "and acquire a waiver".

This is the part that not only bothers me, but many on this side of the House as well as many on the other side of the House. The government says you can make such an agreement, but at the same time you must acquire a waiver. In this regard, a waiver of the provisions of clauses 150, 152 and 153 is a further burden on the negotiating process inasmuch as management will have to attempt to buy that labour in order for it to have any meaningful contract in the long run. On the other hand, as it has been explained to me, the union will in turn have to go back to its membership and say, before we can enter into an agreement under this particular section, we must get your permission to exclude a waiver of something which is legally yours. This places the union in a very peculiar situation, a situation which they do not accept nor want.

Why can the second portion of subclause (c) not stand by itself? In other words, instead of having the word "and", why can it not read, "or specify that clauses 150, 152 and 153 do not apply". What is wrong with leaving that decision to labour and management? Surely they can, through any means which they can conceive and devise, say they will agree to this; we do not have to worry about the technological change because we know what is going to happen; we can guarantee security, jobs or anything that affects the employee without having to go into the act. It should be their right to say that they can opt out of the technological change sections of this bill.

There are a lot of reasons for asking the government why they are now imposing this particular section on labour and management when, in effect, technological change and its effects should be something that is settled around the bargaining table. There is a great concern in management. I could read off many other points of concern, but I do not want to waste the time of the House. They are afraid of harrassment. They are worried that there will be more negotiations, more strikes, unnecessary government interference, as they call it, double jeopardy, planning difficulty and disclosure of the technological change. They have every right to be concerned. The concern would be minimized if we could be assured that labour and management would approach the bargaining table in good faith, with flexible positions and make full disclosure. I am trying to arrive at industrial peace. That calls for the opportunity of the parties opting out of the technological change section. It is not a difficult argument to follow. It just depends on whether the government believes there is some merit in this type of argument.

I am concerned about the technological section. If we relate our thoughts to the present situation of a Montreal port strike, we have a labour bill, a collective agreement, an arbitrator who has handed down a decision, union leadership and the wishes of Parliament as expressed through the Minister of Labour (Mr. Mackasey) all being ignored. Even if we pass this bill, it probably will not have any effect because of the attitude that some union leaders have taken that they are expressing the wishes and desires of the whole trade union movement. I disagree with this. There is one thing we have to be concerned about, and that is the public interest.

Some hon. Members: Hear, hear!

Mr. Alexander: The public interest must prevail no matter what the two parties may be thinking or may conclude. As Parliamentarians, it is our job to step in when the public interest is being adversely affected. Certainly, the collective bargaining process is the best process so far, but we have to question it at this time because it is not working. What I am trying to do with my amendment is make it work because with the imposition of the technological change section and the resultant ultimate need to reopen a contract that has already been duly signed, there is a great fear. If no agreement can be reached, there will be a strike. This is what many people fear. The Canadian people would be concerned if they knew that that is the principle behind this bill.

The polls are giving us some indication that governments must be responsible. I am not talking only about this government. I do not intend to be partisan this afternoon. I have a charitable spot in my heart because I hope we are going home. Here is an opportunity to show that we are bringing in an innovation, something that has never happened before, whereby a collective agreement which has been duly signed can be reopened if there is a disagreement and the possibility of a strike. This is what many people are concerned about in 1972.

All I am trying to do is look at the situation and throw in another escape clause. I think the parties are entitled to it. When two parties come to an agreement, they can say this is what we intend to do if technological changes affect a significant number of people within any organization. They make their decision and the contract is closed. On the other hand, if the union and labour can make some arrangement whereby they can maintain the security that employees are rightly seeking without having any recourse to this bill, why can they not do that? That is what I am talking about. This clause, together with clauses 150, 151, 152 are the clauses of the bill on which the most emphasis has been placed.

There is some talk about the balance of power. I do not know who, in fact, has the balance of power, but I do not want to talk about that. I want to talk about what is good for the Canadian people. This bill can only be good for the Canadian people if there are enough escape clauses in it in order that the true collective bargaining process can be left to those who are directly involved. We cannot sit idly by and hope things will get better. There are indications right now that things are not going well with the collective

bargaining process. Here is an ideal opportunity to relieve some of the fears of both management and labour. The clause will work much better, if amended, because there will be more avenues through which to proceed. If better prospects for industrial peace are what we want, I respectfully suggest that hon. members give this motion profound thought.

• (1420)

We cannot afford industrial strife and subsequent strikes leading only to unemployment and lost markets. Right now there is a strike in progress which is costing Montreal, I have heard, $1 million a day. And that is only an estimate for Montreal itself. Heaven knows what it is costing the Province of Quebec or, indirectly, the Province of Ontario, the rest of Canada and western Canada in particular through its affect on the grain trade. It is bound to be an astronomical figure. With these things in mind we should attempt to amend the bill so that its shortcomings are corrected to some extent. This is all I am asking—that sub-clause (c) should use the word "but", making it disjunctive, rather than the word "and" whose presence would result in a most complicated process being followed.

You see, Mr. Speaker, the unions will not ask for a waiver. They could not get one, because their membership would not agree. So they will rely upon subclause (b) or upon subclause (a). Thus, instead of having three options available the number of options will in practice be reduced to two. I am trying to ensure that there will be all three as intended by the minister. Why should the unions ask for a waiver? Why should they ask to be relieved of their rights? Unless the disjunctive word "but" is introduced, the subclause will not work. All I am trying to do is to get some sense into this bill and have a clause which would have some chance of working.

I have attempted, to the best of my ability, to present the motion and explain the reasoning behind it. I now hope that hon. members, after some debate, will accept the proposition I have put before them and vote in its favour.

Mr. Charles H. Thomas (Moncton): Mr. Speaker, I should like to add a few words in support of the proposition which the hon. member for Hamilton West (Mr. Alexander) has so eloquently placed before the House. This is probably the most important motion before us today.

As my hon. friend has said, industrial relations at the present time could be a great deal better than they are. The general public is dissatisfied with the way in which collective bargaining is working. They fear their interests are being completely overlooked in the course of the continuing battle between management and labour. One would have thought that at a time like this, in the course of the critical situation facing the Port of Montreal, any government would hesitate before doing anything which might in any way heighten the tension which exists between the two parties to a labour dispute. One might think that any government worthy of the name would be solely concerned about bringing in legislation which would lessen the tension between the two parties to a dispute, that it would introduce changes to the Labour Code designed to lessen mistrust and antagonism between the parties involved.

Reading the preamble to this bill one receives the impression that the government did intend to do something to improve industrial relations. The last paragraph reads:

> And whereas the Parliament of Canada desires to continue and extend its support to labour and management in their co-operative efforts to develop good relations and constructive collective bargaining practices, and deems the development of good industrial relations to be in the best interests of Canada in ensuring a just share of the fruit of progress to all—

This would encourage one to believe that something was contained in the legislation which would improve the bargaining process. Mr. Speaker, when the forerunner to this legislation, Bill C-253, was introduced it was immediately attacked both by management and by organized labour. It was criticized by management because of the clause concerning technological change to which my hon. friend has referred. This clause was included, ostensibly, to give both parties a better basis upon which to bargain. But according to management, instead of improving relations it would damage relations between the parties. It might be said that management has certain vested interests and, of course, this is true. But regardless of this aspect, the clause is disliked by management, whether its position is right or wrong. Thus, rather than contributing to the lessening of tension, such a provision could only contribute to the growing distrust between the parties. To me, this is the most objectionable feature of the bill.

I have read the briefs and I am aware of the representations which have been made. In the circumstances, I am amazed that the minister can be so intransigent. He refuses to compromise. He says, in effect: This is what I have decided and this is what you will get. My hon. friend, in his wisdom, has suggested a way out which may appease one side at the bargaining table and which will certainly not damage the other. I think the provisions are strong enough. We are now entering a new area of bargaining and destroying the sacrosanct nature of a contract. We are saying that under certain conditions contracts can be broken. It seems to me that if you are bargaining in good faith and arrive at a contract, both parties to the contract should be bound by it. It is very disturbing to see a situation exist in this country today in which parties to a contract not only refuse to honour the contract but refuse to obey the law, and publicly so state, in which event, to use a common phrase, the contract is not worth the paper it is written on.

• (1430)

What is the point of trying to legislate for co-operation and for bargaining in good faith? Legislation cannot produce that. You must convince parties to an agreement that both must act and bargain in good faith. Unless that is done all the legislation in the world will not make them reach an agreement that either of them would respect. That is the dangerous part of this clause. I should like to see the entire clause deleted. It is amusing to sit in committee and listen to various witnesses and departmental officials say that most contracts now contain provisions to cushion the effects of technological change, but that because there is the odd employer who does not agree to such provision the government must bring in an all-embracing clause like this and thus drag everybody into

the net. In my opinion, this kind of provision endangers the entire collective bargaining process.

I think we should admit that we have given up trying to get the government to withdraw completely the clauses dealing with technological change. But in all fairness to both parties to a dispute the government should be prepared to accept the amendment that has been put forward by my colleague which provides one more opportunity for two parties to reach agreement. I strongly urge the minister to accept the amendment in the interests not only of management and labour but of good relations and industrial peace.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise for just a moment or two to express the hope that on this occasion the Minister of Labour (Mr. O'Connell) will not be pusillanimous. I hope that he will reject this amendment. As I see it, what we are dealing with in global terms at this point is the whole business of writing a technological change provision into the labour code. We think it ought to be there, that it ought to be stronger, but at least there should be support for it in the legislation as far as it goes.

What we are dealing with in the immediate amendment to the escape provisions of the bill is an attempt to make it possible under certain conditions for the technological change provisions not to apply. Clause 149(2) provides a set of conditions under which the technological change provisions need not apply. The one in particular that is dealt with by the amendment moved by the hon. member for Hamilton West (Mr. Alexander) is a two-part escape provision providing, in effect, that the technological change provisions do not apply if both of two other provisions are written into a collective agreement: one, a provision intended to assist employees in the event of technological change; two, specific recognition of the fact that the technological change provisions of the bill do not apply.

I suggest that if you change the "and" to "or", you will make the escape clause that much wider. You will make it possible for the technological change provisions not to apply, on the very flimsy ground that there can be found in the agreement provisions which might seem to assist employees affected by technological change. The provisions in this whole area of the bill are weak enough as they are that I do not think that they should be weakened further. If the minister will indicate his opposition to this amendment, he will find that we will support him.

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, in this discussion we are again at the very heart of the Labour Code. A very important section of the bill is clauses 149 to 153. These provisions bring into the collective bargaining process the impact on employees of technological change. The object of these clauses we are currently debating is to ensure that the provisions are viable in the administrative sense, that they do contribute to constructive industrial relations, and that they bring about equity as between the two parties.

I was very interested in the case made by the hon. member for Hamilton West (Mr. Alexander), the hon. member for Moncton (Mr. Thomas) and the hon. member for Winnipeg North Centre (Mr. Knowles) as they struggled with this, as indeed the standing committee did over an extended period. I am not adopting a position of intransigence, but I am not able to compromise on these provisions, as suggested to me, since what has been suggested as the compromise would undermine my view of constructive industrial relations as they bear upon technological change.

[Mr. Thomas (Moncton).]

It has been suggested that we make paragraph (i) and paragraph (ii) disjunctive. At the moment the two paragraphs are connected with an "and", which it is suggested we change to "or". In my opinion, the effect of that change would jeopardize agreements that are made between employers and employees and would, from the employers' point of view, expose them to a reopening of the bargaining to which they have been party. If we accepted the amendment we would indeed open the door to the reopening of collective agreements after they had been sealed with the intention that they remain sealed.

What we have been trying to do in constructing the sections of the bill that the hon. member for Winnipeg North Centre described as escape clauses is truly to make agreements final from the point of view of equity between the two parties. There must be a seal on the agreement, and the only way to seal it is to leave the word "and" connecting paragraph (i) and paragraph (ii) of subclause (c) of clause 149(2).

• (1440)

Let us consider what would undoubtedly happen when a technological change occurs in a situation where an employer and the employees have agreed upon a substantive provision to deal with it. Let us assume we are in the position the hon. member for Hamilton West suggested, and we have made this disjunctive. The bargaining agent may take the position before the Canada Labour Relations Board that he has provision for technological change as a result of bargaining, but not for this particular change. He may say the union did not contemplate this change when they made the bargain, and this is an extraordinary change which is going to significantly affect in an adverse manner a number of employees. There would be constant litigation in that event before the Canada Labour Relations Board, because the parties would not have sealed the bargain and said for the term of the agreement, two years or three years, they had provided for technological change with these substantive provisions and, as risky as it may be, they are acting in good faith.

The bargaining agent may say to the employer that the union has bargained for these provisions and will live with them for that period without opening the agreement or running to the Labour Relations Board to plead that this was not the kind of thing about which they were thinking.

Mr. Alexander: That section will never be used.

Mr. O'Connell: If that is what is being suggested I must be intransigent, but that is the position I have to take.

It has been said that trade unionists will find it virtually impossible to follow because the bargaining agent will not want to go before his men and say he has made these various bargains, accepting this and giving up something

else, but on the whole package he is satisfied; now, he must tell them about the technological change provision. In order to get this and this and this, there are these technological change provisions and we are required to waive our further rights to open the agreement to deal with technological change. That may be difficult to do.

Mr. Alexander: That is what they told me.

Mr. O'Connell: Yes, that is what they may have told you. It may be difficult to do but it is their business to do it, and if the men do not want to agree to that waiver then the employer knows where he stands and will know this could happen. He knows what kind of provisions he is satisfied to give in exchange for the protection to which he is entitled. Again, if that is a difficult thing for the men to agree to or for the employer to agree to then there are other avenues. They may fall back upon the giving of notice or upon some method of resolving the dispute in a binding and official way when difficulty arises over the question of technological change. So, the employees are not necessarily closed off. Those employers who have made provisions and have gone the whole way—

Mr. Thomas (Moncton): They don't need this act.

Mr. O'Connell: They do need the act. If they have made these provisions, they should be protected against reopening, and it is the "and" that protects them. The provisions are there, and the parties agree that those provisions are sufficient for the purposes of this act for this period of time. I am sure it is not in the mind of the hon. member for Hamilton West or the hon. member for Moncton (Mr. Thomas) to expose agreements to reopening. They simply see the difficulty in the ordinary course of bargaining. I agree there will be difficulty, but that is why there are bargaining agents.

I think the hon. member for Hamilton West said these are issues for the bargaining table. I certainly agree they are, and that is the place to settle them. That is where assurance should be given the employers, just as it is given the employees, that these are bargains struck in good faith.

I said in opening that to make this administratively feasible we need the "and", so the Canada Labour Relations Board is not continuously drawn into litigation over whether this provision did in fact deal adequately with the situation. Without the "and" what would the question before the board be? The bargaining agent could then say they have some provisions but they are not adequate to cover a certain change. We have then transferred the question of adequacy away from the bargaining table and put it before the board. The board should not be drawn into this kind of question at all. We say to the parties, if you bargain for these then seal them, close the matter and accept it but do not ask another agency to enter into bargaining and tell you whether you have done an adequate job.

From an administrative and an equity point of view I suggest the "and" is necessary. The employer would undoubtedly trade the technological change provisions for the non-reopener clause. He does not want things reopened. From the point of view of the trade union in accepting these provisions, it must have known that the employer offered the provision to the union in order to get a closed contract. Having gone through all that, it would not contribute to constructive industrial relations to then leave an opening for reopening because of the inadequacy of the deal that was arrived at. That would create a situation which I do not think any of us would want.

In closing, let me say again that this was thoroughly reviewed in the committee. I have spent many hours considering this and discussing it with employers and associations of employers. I have discussed it with trade unionists as well. Many hon. members, particularly those on this side from British Columbia, have made a very strong plea and presented a very cogent case during the number of occasions I have met with them. They have a particular interest because employers on the west coast have put a strong case to them. I feel very strongly that I would be letting down the employers as well as the trade unionists if I gave in on this point. At the risk of being what is called intransigent, I must ask the House to resist the amendment before it and accept the original proposal advanced in the bill.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Laniel): The question is on the motion moved by the hon. member for Hamilton West (Mr. Alexander). All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Laniel): All those opposed to the said motion will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Laniel): In my opinion the nays have it.

And more than five members having risen:

[*Translation*]

The Acting Speaker (Mr. Laniel: Pursuant to Standing Order 75(11), the recorded division on the motion stands deferred.

[*English*]

The House will now proceed to the consideration of Motion No. 7 standing in the name of the hon. member for Edmonton West (Mr. Lambert).

Hon. Marcel Lambert (Edmonton West) moved:

That Bill C-183, An Act to amend the Canada Labour Code, be amended by deleting lines 1 to 34 on page 44 and substituting therefor the following:

"Revocable Check Off

162. (1) Any employee who is represented by a bargaining agent may authorize his employer in writing, at any time after the date on which the bargaining agent becomes entitled to represent him, to deduct from his wages the amount of the regular monthly membership or union dues payable by him to the bargaining agent and to remit that amount to

(a) the bargaining agent; or

(b) the registered Canadian charitable organization, as defined in the *Income Tax Act*, designated by the employee,

and the employer shall deduct and remit that amount in accordance with the authorization.

(2) An employee may, by notice in writing to his employer, revoke an authorization given by him pursuant to subsection (1), and that revocation shall have effect thirty days from the date upon which it is received by the employer.

(3) For the purpose of exercising any rights he may have under this Part, an employee who exercises his right under paragraph (1)(b) shall not thereby lose the status of a member in good standing of the bargaining agent.

(4) No person shall discriminate against an employee who exercises his right under paragraph (1)(b) either in regard to employment or any term or condition of employment or in regard to membership, for the purpose of exercising any rights he may have under this Part, in the bargaining agent or any term or condition of membership.

(5) Nothing in a collective agreement that is inconsistent with the provisions of subsection (1) is valid."

• (1450)

He said: Mr. Speaker, I had some considerable discussion in the committee with regard to the principle advocated in this amendment. It also represents the heart and core of private bills I have presented in this House since 1969. In 1971, the bill was known as C-138. I shall not go through a recital of the other numbers. However, they stem from the Hoogendorn case in Ontario and similar instances of that kind in the province of British Columbia, in my own province of Alberta and I am sure other provinces. As an individual, I was absolutely repelled and amazed that here, in Canada we would allow to happen what happened in those cases. These cases involve the fact that, by reason of conscience, a man or woman objects to belonging to either a closed shop or a union shop organization. Such a person does not believe in that type of unionism. This is a matter of true conscience. Yet, the effect of the closed shop and the union shop is that such an individual cannot maintain his or her employment.

This might involve the case of an individual who had worked in some undertaking which was not unionized, and then later the work force became organized. He or she is forced to belong to the union and to pay dues to the union in order to maintain employment in complete contradiction of that person's bona fide religious beliefs. That is why I have put forward this motion. I suggest the Labour Code is in fact contrary to the Canadian Bill of Rights, insofar as it says to unions that they can deprive individuals of their work because of their religious beliefs. I am not arguing here the validity or otherwise or the justification or otherwise of the religious belief held by the individual. I may say, however, that there are many people of the Reform Church in this country who do not believe in this. In addition, I have before me a letter from the General Counsel of the Seventh-day Adventist Church in Canada. For the benefit of the hon. member for Oshawa-Whitby (Mr. Broadbent) who argued against me on this matter, may I say that this letter comes from the executive offices of that church in Oshawa. I want to read the letter:

The members of our communion have long felt that closed shop and union shop contracts in many instances force them to belong to unions when their conscientious convictions prevent them from doing so. The provision that your bill would make in the federal legislation would certainly meet this problem.

Seventh-day Adventists do not wish to enjoy the benefits that come from the work of trade unionists and trade unions. However, some of the methods employed by trade unions in achieving their goals are such that conscientious Christians with strong views against the resort to violence and intimidation find themselves in a difficult position. They are prepared to make a contribution equivalent to union dues to some charity of the union's choice and even go so far as to have the union get credit for this contribution. They would appreciate the opportunity to work, in return, without in any way frustrating or thwarting the legitimate aims of their fellow employees who happen to be members of a trade union. But, neither do they wish to be forced to join an association or organization where conscientious scruples prevent them from doing so.

I hear snorts of disbelief from the hon. member for Oshawa-Whitby who I say, frankly, epitomizes to my way of thinking some of the worst features of big unionism in his attitude toward this matter.

While I may not agree with the Quakers or others who for reasons of conscience do not accept that they should bear arms in service of our country, yet we accord them this privilege. They enjoy the full benefit of membership in Canadian society. It is asserted that because these individuals about whom I am concerned share some of the benefits—not all because the unions do not get all the benefits on behalf of their workers even though they believe they do—they must make their contribution and must belong. It is suggested that they should be grateful to belong. Since there is a limited amount of time, I wish to read and place on the record what is stated in the Canadian Bill of Rights. I shall read, first of all, from the preamble:

The Parliament of Canada, affirming that the Canadian Nation is founded upon principles that acknowledge the supremacy of God, the dignity and worth of the human person and the position of the family in a society of free men and free institutions:

I would reiterate the acknowledgement of the supremacy of God, the dignity and worth of the human person and the position of the family in a society of free men and free institutions. That is something many people appear to wish to deny today. The quotation continues:

Affirming also that men and institutions remain free only when freedom is founded upon respect for moral and spiritual values and the rule of law;

I commend those words to hon. members, and particularly to those who wish to steamroller individuals who would dissent.

And being desirous of enshrining these principles and the human rights and fundamental freedoms derived from them, in a Bill of Rights which shall reflect the respect of Parliament for its constitutional authority and which shall ensure the protection of these rights and freedoms in Canada:

Then, the following is enacted:

1. It is hereby recognized and declared that in Canada there have existed and shall continue to exist without discrimination by reason of race, national origin, colour, religion or sex, the following human rights and fundamental freedoms, namely:

(a) the right of the individual to life, liberty, security of the person and the enjoyment of property, and the right not to be deprived thereof except by due process of law;

This is the provision regarding the right to work. Then, we have paragraph 2:

2. Every law of Canada shall, unless it is expressly declared by an Act of the Parliament of Canada that it shall operate notwith-

standing the *Canadian Bill of Rights*, be so construed and applied as not to abrogate, abridge or infringe or to authorize the abrogation, abridgment or infringement of any of the rights or freedoms herein recognized and declared,

Then, there is a particularization, but no limitation. Part II, section 5 (1) reads:

Nothing in Part I shall be construed to abrogate or abridge any human right or fundamental freedom not enumerated therein that may have existed in Canada at the commencement of this Act.

Then, sub-sections (2) and (3) state:

(2) The expression 'law of Canada' in Part I means an Act of the Parliament of Canada enacted before or after the coming into force of this Act, any order, rule or regulation thereunder, and any law in force in Canada or in any other part of Canada at the commencement of this Act that is subject to be repealed, abolished or altered by the Parliament of Canada.

3. The provisions of Part I shall be construed as extending only to matters coming within the legislative authority of the Parliament of Canada.

It is clear to my mind that, in so far as the Canada Labour Code refuses to recognize the right of the individual as propounded in the amendment, it is an infringement of the Canadian Bill of Rights. The government of Ontario in 1970 amended its labour code and put in section 35(a) to take care specifically of the point that I have put forward. Unfortunately, I think the government of Ontario did not go far enough because this provision indicates that if an individual joins an organization where there is a collective agreement in force, and it is one of a closed shop or union shop nature, the act shall not apply to that person. But in effect I say that the rights granted under the Ontario amendment of 1970 are more illusory than they are real.

• (1500)

I say that we should recognize the principle that there is a freedom of conscience, a freedom of religion. There has to be something that is real, or do we just pay lip service to it? I suggest to you, Mr. Speaker, that the failure of the government to include such an amendment as I have put forward, or a provision to accomplish the same end, means that the government is paying less than lip service to the rights of Canadian workers as enumerated under the Canadian Bill of Rights.

I hope that the House accepts my amendment. If it does not, I can promise hon. members that I will be back next year with a similar type of amendment if I am a private member. This is a matter that goes to the heart and core of labour law in this country. After all, so many of the people who belong to the party on my left talk about the right of individuals to dissent from the political views of the government and of other people, but when it comes to conforming to union law there is no right to dissent.

Mr. Rowland: That is rubbish.

Mr. Lambert (Edmonton West): One must conform or lose one's employment. Under the closed shop and under the union shop, as these workers conceive it in their conscience, they are unable to dissent.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I had not intended to take part in this debate, but my hon. friend who is figuratively and literally on my right has provoked me to say a few words in support of the bill as it now stands and contrary to the amendment that is supported by the Conservative party. I would like to come to grips with what I think is the essential philosophical point of dispute here, and that concerns something called one's conscience.

The argument offered by the hon. member who preceded me was that the state must take into full recognition the obligations that one imposes upon oneself because of conscience. I say to the hon. member with all respect that never in my studies of philosophy and ethics have I had much intellectual respect for that kind of argument. I will tell the House why. If you study history you will find that the most scandalous deeds ever performed were often performed by men who claimed they acted in conscience. Men who have performed the most vile and inhuman practices in human history almost invariably have said they did them according to conscience, and indeed in many cases I would be prepared to accept that they were acting according to conscience; in other words, that they were doing what they deemed to be right and correct.

However, in any ethical decision it seems to me that one does not primarily consider motives but, rather, one has to consider the implications and the consequences for society as a whole and for other members of the group affected. For example, I could cite cases in medieval history of Catholics who thought it was entirely morally appropriate to torture, to put on the rack and to burn at the stake early Protestants because they as Catholics were acting in good conscience, they thought it was entirely appropriate and justified to so act.

Would we now sanction, in terms of our perception of morality, of our understanding of what is socially good, such activity? With respect, I would say no. One could cite in early renaissance history similar acts by Protestants who thought it was entirely appropriate and good to burn a Catholic every Thursday afternoon at three o'clock if they could get their hands on one. These Protestants in our history also thought they were acting in good conscience, and I would say with respect that they were acting in good conscience. It is simply a matter of ethical right and wrong, in my view, that their conscience was leading them to profoundly immoral acts.

In short, conscience is by no means a sufficient criterion to judge the goodness or badness of an act. Therefore, I submit that the argument put forward by the hon. member that conscience is to be relied upon, that conscience may lead one to a conclusion contrary to that which is proposed by this legislation, is without any serious philosophical justification. To cite a particularly horrendous and unrepresentative example, perhaps there were literally thousands of Germans in the 1930s who thought that the political actions of a man called Adolph Hitler were entirely good and appropriate, and that a German in good conscience could do nothing other than support the kind of policies that Hitler was advocating.

Mr. Alexander: You don't need to go that far; you can refer to the government.

Mr. Broadbent: Therefore, we come to the matter at issue. If we dismiss the philosophical argument of the conscience, and accept the utilitarian argument that you

have to look at social consequences, then it seems to me that the legislation before us, and not the amendment, must be supported.

I categorically reject the anti-union attitude of the hon. member who preceded me, because most unions in this country are democratic organizations and are very much concerned with improving the well-being of their members. To suggest that they are always, or even usually, dominated by so-called big trade union bosses misses the point of reality.

The point is that by passing this kind of amendment we would be saying to a member of a trade union that although in most instances it was the trade union that had led to the doubling of that person's income in recent years, that the union had got him benefits so that he could no longer be fired at the whim of his employer, that the union had succeeded in getting him paid holidays, that the union had done for working people what political democracy in this century had done for society as a whole—that is, it had brought a degree of civil rights and civil dignity to the working people in Canada—the member had no financial obligation to that organization if he deemed it to be a matter of conscience. We would be saying to the worker that if he thinks it is not a matter of philosophical commitment, then he does not have to support the union; he does not have to support the thousands of workers who preceded him, who had to strike, on many occasions in terribly bad weather, in order to attain the financial gains and civil liberties in the workplace that he now enjoys.

• (1510)

I for one will not support a measure that gives a worker the right to opt out of a union and no longer pay his share toward achieving very desirable social aims.This is analogous to saying to the citizen of a democratic state, "You no longer have an obligation to pay your taxes if as a matter of conscience you are in profound disagreement with the government." I dare say that some members of the Conservative party are in profound disagreement with the present government. Therefore, if we followed the logic of the hon. member who preceded me they would be under no obligation to pay taxes to such a perfidious regime.

If it is wrong to say that to a citizen of a democratic state, I say it is equally wrong to say to a member of a democratic union that he has a right not to pay his share if he disagrees with the union. I urge that the House strongly vote against this amendment.

Mr. O'Connell: Mr. Speaker, I realize that we are in a very tight time situation. We have heard two points of view that explore this complex and difficult question which involves conscience. I point out that it goes further than that in the amendment: it involves the right of persons to be members in good standing in an organization, and taking its benefits, without being fully pledged to it in the sense of responsibility. That subject was canvassed quite thoroughly in the standing committee.

I read with a great deal of interest the presentation made by one group on this matter. I have listened to the hon. member for Edmonton West (Mr. Lambert) and I simply conclude by saying we would be well advised to accept the bill as it presently stands.

[Mr. Broadbent.]

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

Some hon. Members: Question.

The Acting Speaker (Mr. Boulanger): Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Boulanger): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Boulanger): In my opinion the nays have it.

Mr. Lambert (Edmonton West): On division.

The Acting Speaker (Mr. Boulanger): I declare the motion negatived on division.

Motion No. 7 (Mr. Lambert, Edmonton West) negatived.

Mr. Lincoln M. Alexander (Hamilton West) moved Motion No. 8 as follows:

That Bill C-183, an act to amend the Canada Labour Code, be amended by deleting lines 45 to 48 on page 63 thereof and substituting therefor:

"194.(1) Except with the consent in writing of the minister, which shall not be unreasonably withheld, no prosecution shall be instituted in respect of an offence under this part.

(2) Where the minister withholds his consent, he shall do so in writing within two weeks after the application for his consent and shall state his reasons therefor."

He said: Mr. Speaker, this amendment is quite simple. Clause 194 reads at present:

Except with the consent in writing of the minister, no prosecution shall be instituted in respect of an offence under this part.

It stops there. I think it is time we looked at the arbitrary power given to the minister. I can give one example which is of prime importance and will bring home to hon. members the reasoning behind my amendment. Some time ago during the Montreal port strike, the Maritime Shipping Association asked for the minister's consent in order to prosecute the longshoremen's union for certain actions which it took. The minister in fact denied his consent, but the application was on his desk for heaven knows how long until I asked a question about it in the House. Now that we see the result of his arbitrary decision, we wonder whether it was the right one for him to take. My amendment stipulates that no prosecution can be launched without the minister's consent "which shall not be unreasonably withheld", and then I add a second paragraph which is of importance. It reads:

Where the minister withholds his consent, he shall do so in writing within two weeks after the application for his consent and shall state his reasons therefor.

We do not know his reasons for denying consent in the Montreal port case. Denial of consent may vary from one minister to another. This minister chose not to give consent; another minister might have given it. I do not know whether the minister's predecessor would have given his consent; but I do not want to get involved in personalities

because that would not be fair. Another matter that bothers me is that a minister may give his consent if it is politically expedient to do so. In other words, if there is an industrial dispute, and it enhances the attractiveness of the government to the public for a minister to give his consent to a prosecution against a union, he may be tempted to do so.

I hope the minister will see some merit in my amendment, but I know what his answer will be; I heard it in committee. He will say that this is making provision to adjudicate on whether the minister unreasonably gives or withholds his consent. Again I say the minister should not be given this total power to make arbitrary decisions and not be required to give reasons for those decisions.

• (1520)

I think it is high time we checked on this sort of attitude. I believe it gives too much power if we do not know when the minister gave his consent and what the reasons were. I should like to know right now his reasons for the decision regarding the Montreal port strike. Maybe somebody on the other side knows why he did not give consent. Without being repetitious, Mr. Speaker, I hope the minister sees some merit in my motion.

Mr. Brewin: Mr. Speaker, my remarks will be very brief. I support the legislation as originally drafted, and oppose the amendment. The amendment does not say so, but in effect it throws into the courts, into litigation, a review of the minister's judgment in this matter. The minister is responsible to this House and I do not think the courts are responsible in any way to the House. This is clearly an administrative matter and one of very delicate discretion, in view of all the circumstances. I would much prefer to have this sort of thing determined in the House by a minister rather than being a matter of litigation in the courts.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I will only say a few words in respect of the amendment to clause 194 dealing with the consent of the minister before prosecution.

This matter has been raised very often and it assumes that a strong relationship exists between the judiciary and the political powers. The mover of the two amendments has in mind the protection of the legislative authority, that is the authority of the Canadian people to express itself against those two powers.

It seems to me that both amendments should be passed since the minister is responsible before Parliament and not before the judiciary. It would be quite acceptable, Mr. Speaker, that the minister should agree to include in the legislation a provision making it necessary for him to state the reasons for his acceptance or refusal of a request to prosecute. Otherwise, it becomes a unilateral decision and, in any event, it could be construed as being a matter of political interests.

This is why these amendments should be passed both for the protection of the House of Commons and the parties involved.

[*English*]

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

Some hon. Members: Question.

The Acting Speaker (Mr. Boulanger): All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Boulanger): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Boulanger): In my opinion the nays have it.

Mr. Baldwin: On division.

The Acting Speaker (Mr. Boulanger): I declare the motion negatived on division.

Motion No.8 (Mr. Alexander) negatived.

[*Translation*]

The Acting Speaker (Mr. Boulanger): The House will now proceed to the consideration of Motion No. 9 by the hon. member for Hamilton West (Mr. Alexander).

Mr. Lincoln M. Alexander (Hamilton West) moved:

That Bill C-183, An Act to amend the Canada Labour Code, be amended by inserting therein, next after the heading "Promotion of Industrial Peace" where the same appears above line 1 on page 64, the following:

"194A. For the better assuring that industrial relations continuously serve the promotion of the common well-being as well for the better promoting of industrial peace in the public interest, the Minister shall promote and encourage, in the field of labour-management relations,

(a) research in the social, political, economic, legal, psychological and other aspects of such relations, including employer and employee organization, personnel administration, social security, and labour legislation;

(b) full discussion and the exchange of ideas regarding the planning and conduct of such research;

(c) the public dissemination of significant results of such research;

(d) the improvement of the materials and methods of instruction used in such research; and

(e) the planning, supervision, co-ordination, analysis, and appraisal of industrial relations for the purpose of securing the most efficient co-operation of all groups and persons engaged in the production and distribution of goods and the provision of services."

[*English*]

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, motion No. 9 points out the necessity to stress once again the need for industrial peace. The heading of this section which appears on page 64 of the bill refers to the promotion of industrial peace.

Mr. Speaker, I beg your indulgence to give credit to the parliamentary intern who assisted me on this bill, Miss Kathy Swinton. Many of us who have had an opportunity of working with parliamentary interns hope that the government, although I understand the foundation is a little short of money, will promote this internship. These

interns give us valuable assistance, because it is impossible for many of us to keep up with our chores without their help.

Some hon. Members: Hear, hear!

Mr. Alexander: I think that all members who have had an opportunity to work with these young men and women and avail themselves of their expertise would appreciate the program being continued.

Mr. Speaker, the preamble to this bill can only have strength if the bill has some guts. My motion suggests the inclusion of the following:

"194A. For the better assuring that industrial relations continuously serve the promotion of the common well-being as well for the better promoting of industrial peace in the public interest, the minister shall promote and encourage, in the field of labour-management relations,

(a) research in the social, political, economic, legal, psychological and other aspects of such relations, including employer and employee organization, personnel administration, social security, and labour legislation;

(b) full discussion and the exchange of ideas regarding the planning and conduct of such research;

(c) the public dissemination of significant results of such research;

(d) the improvement of the materials and methods of instruction used in such research; and

(e) the planning, supervision, co-ordination, analysis, and appraisal of industrial relations for the purpose of securing the most efficient co-operation of all groups and persons engaged in the production and distribution of goods and the provision of services."

The minister will probably tell me that is what he is doing now. But where does he get the authority? All I am asking is that the act give some guts to the preamble. Without some meaningful direction such as this, I feel the preamble is nothing but window-dressing, a political gimmick to appease one side of the bargaining process. I do not think I have to elaborate on this motion any further, Mr. Speaker. I hope that at long last the minister will think kindly toward this side.

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, I think kindly of all the remarks and the many contributions made by the hon. member for Hamilton West (Mr. Alexander) during the committee hearings and today. I want particularly to congratulate him on the work of his parliamentary intern who has done the right thing in drawing attention to the needs for a vastly expanded research effort to support industrial relations in the federal jurisdiction.

The hon. member asks where the authority and impetus is for research and publication of material. Mr. Speaker, it is in the very statute that founded the Department of Labour in about 1900. That was a very skimpy little act because in those days perhaps there was not much support for a federal role in labour relations. One thing in that act, however, is the requirement to establish the *Labour Gazette* in order to publish statistics.

On the basis of that we are raising a major research effort which will cover many of the grounds put forward by the parliamentary intern and which were mentioned this afternoon by the hon. member for Hamilton West. As he knows, I have asked the department to expand in a

significant way the non-legislative initiatives that we need in this field. Basic to them is an enlarged research effort. We have gone through Treasury Board with that effort and we are now in the clear. We are going to put a major shoulder to the wheel in that field. The hon. member will be happy to see the result. It is in the statute establishing the department and it really does not need a home in the bill before us, worthy as the idea may be.

• (1530)

Mr. Rowland: Will the minister permit a question?

Mr. Speaker: Will the minister accept a question from the hon. member for Selkirk (Mr. Rowland)?

Mr. O'Connell: Yes, Mr. Speaker.

Mr. Rowland: Mr. Speaker, as a sort of prologue to the question, I understand the reason for rejecting this amendment; but cannot the minister find a way of providing the hon. member for Hamilton West (Mr. Alexander) with some of the information he seems to require, so that for his next intervention in a debate on labour the hon. member will be better informed?

Mr. Speaker: Is the hon. member rising on a question of privilege?

Mr. Alexander: Yes, Mr. Speaker. I listened to that snide, nasty remark which just came from one of the uninformed members to my left. He has not had anything to say in this debate since it began. He did not attend any of the committee hearings. That shows how much he is interested in this subject.

Mr. Speaker: Order, please. The hon. member should indicate his question of privilege. Would the hon. member resume his seat. If the hon. member has a question of privilege, he should indicate it. From what the hon. member has just said, the hon. member for Selkirk (Mr. Rowland) may have a question of privilege in relation to the words spoken by the hon. member for Hamilton West (Mr. Alexander).

Mr. Alexander: Mr. Speaker, my question of privilege revolves around the fact that by implication the hon. member has suggested that I am misinformed.

Mr. Lewis: It was a joke.

Mr. Alexander: Maybe I am also joking. Now and again some of these members have to be spanked, and I am big enough to spank most of them around here. If the hon. member wants to interject in a debate, he should have at least made a meaningful contribution prior to his interjection. We could then have allowed his interjection, which certainly was not called for.

Mr. Speaker: That, of course, is not a question of privilege; it is debate between the hon. member for Hamilton West and the hon. member for Selkirk. Is the House ready for the question?

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

Some hon. Members: On division.

Mr. Speaker: I declare the said motion lost on division.

Motion No. 9 (Mr. Alexander) negatived.

Mr. Speaker: House will now revert to the deferred divisions on motions Nos. 3, 4 and 6. Call in the members.

The House divided on motion No. 3 (Mr. Barnett) which was negatived on the following division:

(Division No. 46)

YEAS

Messrs:

Aiken
Alexander
Alkenbrack
Baldwin
Bell
Brewin
Broadbent
Coates
Danforth
Fairweather
Flemming
Fortin
Gilbert
Gleave
Grills
Gundlock
Hales
Harkness
Hees
Knight
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Edmonton West)
Latulippe
Lewis
MacInnis (Mrs.)
MacLean
Macquarrie
McCleave
McCutcheon
McGrath
Marshall
Matte
Mazankowski
Monteith
Muir
Nystrom
Peddle
Peters
Rock
Rondeau
Rose
Rowland
Saltsman
Southam
Stanfield
Tétrault
Thomas (Moncton)
Thomson (Battleford-Kindersley)
Winch
Woolliams—51.

NAYS

Messrs:

Allmand
Badanai
Basford
Béchard
Benson
Blair
Blouin
Borrie
Boulanger
Breau
Buchanan
Caccia
Cafik
Chappell
Clermont
Comtois
Corbin
Côté (Richelieu)
Crossman
Cullen
Danson
Davis
Deachman
Deakon
Drury
Duquet
Éthier
Forget
Foster
Francis
Gibson
Gillespie
Goode
Gray
Guilbault
Haidasz
Hellyer
Hogarth
Hymmen
Jerome
Kaplan
Lajoie
Lang (Saskatoon-Humboldt)
Langlois
Laniel
La Salle
Leblanc (Laurier)
Lefebvre
Legault
Lessard (La Salle)
L'Heureux
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
Mackasey
McBride
McNulty
Mahoney
Major
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Munro
O'Connell
Orange
Osler
Pelletier
Pepin
Perrault
Portelance
Pringle
Prud'homme
Reid
Richard
Richardson
Rochon
Roy (Laval)
Serré
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Sulatycky
Thomas (Maisonneuve-Rosemont)
Trudeau
Trudel
Turner (London East)
Wahn
Walker
Watson
Whelan
Whiting
Yanakis—94.

• (1600)

Mr. Speaker: I declare the motion lost. The House will now consider motion No. 4.

The House divided on motion No. 4 (Mr. Alexander) which was negatived on the following division:

(Division No. 47)

YEAS

Messrs:

Aiken
Alexander
Alkenbrack
Baldwin
Bell
Coates
Danforth
Fairweather
Flemming
Fortin
Grills
Gundlock
Hales
Harkness
Hees
Knowles (Norfolk-Haldimand)
Lambert (Edmonton West)

Division

Messrs:

Latulippe
MacLean
Macquarrie
McCleave
McCutcheon
McGrath
Marshall
Matte
Mazankowski
Monteith
Muir
Peddle
Rock
Rondeau
Southam
Stanfield
Tétrault
Thomas (Moncton)
Woolliams—36.

NAYS

Messrs:

Allmand
Badanai
Basford
Béchard
Benson
Blair
Blouin
Borrie
Boulanger
Breau
Brewin
Broadbent
Buchanan
Burton
Caccia
Cafik
Chappell
Clermont
Comtois
Corbin
Côté (Richelieu)
Crossman
Cullen
Danson
Davis
Deachman
Deakon
Drury
Duquet
Éthier
Forget
Foster
Francis
Gibson
Gilbert
Gillespie
Gleave
Goode
Goyer
Gray
Guilbault
Haidasz
Hellyer
Hogarth
Hymmen
Jerome
Kaplan
Knight
Knowles (Winnipeg North Centre)
Lajoie
Lang (Saskatoon-Humboldt)
Langlois
Laniel
La Salle
Leblanc (Laurier)
Lefebvre
Legault
Lessard (La Salle)
Lewis
L'Heureux
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
MacInnis (Mrs.)
Mackasey
McBride
McNulty
Mahoney
Major
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Munro
Nystrom
O'Connell
Orange
Osler
Pelletier
Pepin
Perrault
Peters
Portelance
Pringle
Prud'homme
Reid
Richard
Richardson
Rochon
Rose
Rowland
Roy (Laval)
Saltsman
Serré
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Sulatycky
Thomas (Maisonneuve-Rosemont)
Thomson (Battleford-Kindersley)
Trudeau
Trudel
Turner (London East)
Wahn
Walker
Watson
Whelan
Whiting
Winch
Yanakis—111.

[Mr. Speaker.]

Mr. Speaker: I declare the motion lost. The House will now consider motion No. 6.

The House divided on motion No. 6 (Mr. Alexander) which was negatived on the following division:

(Division No. 48)

YEAS

Messrs:

Aiken
Alexander
Alkenbrack
Baldwin
Bell
Coates
Danforth
Fairweather
Flemming
Fortin
Grills
Gundlock
Hales
Harkness
Hees
Hellyer
Knowles (Norfolk-Haldimand)
Lambert (Edmonton West)
Latulippe
MacLean
Macquarrie
McCleave
McCutcheon
McGrath
Marshall
Matte
Mazankowski
Monteith
Muir
Peddle
Rock
Rondeau
Southam
Stanfield
Tétrault
Thomas (Moncton)—36.

NAYS

Messrs:

Allmand
Badanai
Basford
Béchard
Benson
Blair
Blouin
Borrie
Boulanger
Breau
Brewin
Broadbent
Buchanan
Burton
Caccia
Cafik
Chappell
Clermont
Comtois
Corbin
Côté (Richelieu)
Crossman
Cullen
Danson
Davis
Deachman
Deakon
Drury
Duquet
Éthier
Forget
Foster
Francis
Gibson
Gilbert
Gillespie
Gleave
Goode
Goyer
Gray
Guay (St. Boniface)
Guilbault
Haidasz
Hogarth
Hymmen
Jerome
Kaplan
Knight
Knowles (Winnipeg North Centre)
Lajoie
Lang (Saskatoon-Humboldt)
Langlois
Laniel
La Salle
Leblanc (Laurier)
Lefebvre
Legault
Lessard (LaSalle)
Lewis
L'Heureux
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
MacInnis (Mrs.)
Mackasey
McBride
McNulty
Mahoney
Major
Marchand (Langelier)

Messrs:

Marchand (Kamloops-Cariboo)
Munro
Nystrom
O'Connell
Orange
Osler
Pelletier
Pepin
Perrault
Peters
Portelance
Pringle
Prud'homme
Reid
Richard
Richardson
Rochon
Rose
Rowland
Roy (Laval)
Saltsman
Serré
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Sulatycky
Thomas (Maisonneuve-Rosemont)
Thomson (Battleford-Kindersley)
Trudeau
Trudel
Turner (London East)
Wahn
Walker
Watson
Whelan
Whiting
Winch
Yanakis—111.

• (1610)

Mr. Speaker: I declare the motion lost.

Hon. Martin P. O'Connell (Minister of Labour) moved that Bill C-183, to amend the Canada Labour Code, as reported (with amendments) from the Standing Committee on Labour, Manpower and Immigration, be concurred in.

Motion agreed to.

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

Some hon. Members: By leave, now.

Mr. O'Connell moved that the bill be read the third time and do pass.

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

Mr. Baldwin: On division.

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

* * *

HOUSE OF COMMONS

MOTION FOR ADJOURNMENT DEFERRED—HOUSE TO MEET NEXT ON JULY 4 AT 2 P.M.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, at eleven o'clock I asked that the adjournment motion stand in the expectation that the situation in Montreal might have clarified in the meantime so that the motion could be put and carried at this point. However, I am advised by the Minister of Labour (Mr. O'Connell) that the situation has not cleared up sufficiently that it would be desirable from the point of view of the government to put and carry the adjournment motion at this point.

Mr. McCleave: In other words, "See you on Monday".

Mr. Baldwin: No, Tuesday.

Mr. McCleave: Mr. Speaker, I rise on a point of order to ask whether we come back on Monday or on Tuesday. We on this side are as confused as perhaps they are on the other side. On which day do we return?

Mr. MacEachen: Mr. Speaker, if I may respond to the question raised, under Standing Orders the House would normally meet on Monday at 2 p.m.

Mr. Forrestall: Why don't you call an election and quit playing games with the people of Canada?

Mr. Speaker: Order, please. The hon. member for Halifax-East Hants (Mr. McCleave) has the floor.

Mr. McCleave: I understand there might be disposition by the House to agree that we meet on Tuesday and that this could be ordered now.

Mr. MacEachen: Mr. Speaker, I have considered that point. In view of the arrangements many members have made, and the fact that members of the staff could normally expect a holiday, I would be agreeable to our meeting on Tuesday if that is the general wish of the House.

Some hon. Members: Agreed.

Mr. Speaker: Order, please. As hon. members know, according to Standing Orders we would be required to be here on Monday, but we can dispense with the provisions of the Standing Orders by unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: It appears there is unanimous consent that the House will reconvene on Tuesday next.

May we have order, please. Hon. members should realize that the House is still sitting. If hon. members, and particularly a number of ministers, wish to have conferences I suggest those should be carried on outside the House.

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

PRIVATE MEMBERS' PUBLIC BILLS

CANADA LABOUR CODE

PROVISION FOR TEN GENERAL HOLIDAYS WITH PAY

Mr. Stanley Knowles (Winnipeg North Centre) moved that Bill C-21, to amend the Canada Labour Code (provision for ten general holidays with pay), be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

He said: Mr. Speaker, I dare to hope that the action the House has just taken in agreeing to take a holiday on Monday puts this House in a favourable mood toward my Bill C-21 which has now been called for second reading. In fact it is a bill which proposes that two additional

holidays be added to the list of general holidays in the Canada Labour Code. Perhaps I might be permitted to point out that the Canada Labour Code does not cover the holidays we observe in the House of Commons; rather, we are governed by our own Standing Orders. We have just demonstrated that by unanimous consent we can alter our own rules and in this instance it is good that we have done so.

Bill C-21, as I have already indicated, relates to the Canada Labour Code, the legislation we have amended today by the passing of Bill C-183. My bill proposes an amendment to another part of the Canada Labour Code and I hope it will find favour with the faithful members who have remained for this final hour.

• (1620)

The Canada Labour Code as it now stands provides for eight general holidays—that is the legal term in the legislation, although most people call them statutory holidays—and I suggest that two more should be added. May I make it clear that this bill is a successor to a bill that I have put in a good many times in which I used to ask for one additional general holiday each year. The one that I asked for was the first Monday in August.

That bill, when it was reached in former sessions, was always attended by an interesting debate but I thought that the debate the last time this bill came up for second reading was particularly interesting. There was some criticism of the fact that I had not put a name to the holiday which I proposed for the first Monday in August. One of my friends to the right said he thought it would be awkward to suggest that this was the "first Monday in August holiday" every time we wanted to refer to it. At any rate, the criticism was that an appropriate name should be found for the holiday that we would provide for the first Monday in August.

Obviously, I have avoided using the term "civic holiday" because that might suggest to someone that a constitutional argument could be raised since we are dealing with the federal labour code. The other criticism that I met with last year came, I suppose, from skiing enthusiasts and such types who felt that if we were going to have a ninth general holiday it should be in February rather than in the middle of the summer. The point was made that there was a fairly long gap between the Christmas and New Year period and Easter, and that it was in that part of the year that an additional holiday should be provided.

Well, I am one to listen to criticism of my proposals and of my bills, and it seemed to me that the obvious answer to the suggestion that the holiday should be in February rather than in August, particularly in view of the fact that some members thought it should be in August, was to bring in a bill providing for additional holidays in both of these months. This bill, in that it provides for an additional holiday in August and an additional holiday in February, is genuinely and honestly the result of discussion that has taken place on the floor of this House of Commons.

Regarding the point about naming these holidays, about which there was criticism last year, I am trying to meet that by suggesting in the bill that either in the committee or by a proclamation made afterwards appropriate names could be put to these two holidays. It seemed to me that that was wiser than for me to try to name them. The choice that I prefer is that the names might be decided by the committee to which this bill would be referred after second reading, but in any case I hope that I have met the criticisms of last year and that the House will look upon this bill with favour.

As I say, it is a very simple bill which proposes that the Canada Labour Code provide for a total of ten holidays. The two additional ones that I am suggesting are a holiday in February and a holiday in August, so we meet the wishes of both the skiers and the swimmers, and that the names of these holidays be decided by the Standing Committee on Labour, Manpower and Immigration to which this bill would be referred.

I would point out that the general provisions in the labour code regarding holidays, regarding pay for those days, regarding the possibility of substituting some other day if that is desired in some part of the country, and all other such provisions remain as they are. The bill does nothing extraneous; simply proposes these two additional holidays, one in February and one in August, the names of both of them to be determined either by the committee or by a proclamation to be issued by the governor in council.

I might also point out that this bill would govern only those who come under federal labour jurisdiction. It would not govern us in the House of Commons—but we look after ourselves very well; we demonstrated it just now when we decided on a holiday for Monday even though it is not in our rules. As for those who come under provincial jurisdiction, it is a historical fact in this country that when a lead is taken in one jurisdiction, whether it is federal or provincial, in the course of time the other jurisdiction tends to follow. My hope would be that if we put ten general holidays into the Canada Labour Code, in due course that would be the number of holidays in the various provincial labour codes as well.

I think this is a sensible and desirable bill. I do not take all the credit for its being sensible; I give credit to the House because, as I said, when the House discussed last year my bill for a ninth general holiday the upshot of that discussion was that there should be a ninth and a tenth holiday, one in August and one in February, and appropriate names should be affixed to those two holidays. So I give back to the House the bill that it proposed last time we discussed this measure, and I hope the House will see fit to give it second reading and send it to the Standing Committee on Labour, Manpower and Immigration in the hope that it might meet during the holidays and advance this bill a further stage.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I want to address myself specifically to the announcement just made by the President of the Privy Council (Mr. MacEachen). I am sorry he is not here because in my judgment he is the outstanding parliamentarian on the government side—and that is not because he is Gaelic as I try to be. I will speak with more brevity than the hon. member for Winnipeg North Centre (Mr. Knowles) but probably with less profundity.

I commend the President of the Privy Council for noting and appreciating that Dominion Day is the most

important day for Canadians who want to celebrate that particular historic event which made a new country on this great North American continent. I commend the hon. member, who is a professor and a man of knowledge in history, for noting this. Personally, I would like to have Dominion Day celebrated on July 1, regardless of the day of the week on which it comes, and I condemn wholeheartedly, completely and with all the strength of my being the Secretary of State (Mr. Pelletier) who issued invitations to all and sundry for an event on a day which was called the "national day of Canada". According to the statutes, according to the law and according to the rules, July 1 is Dominion Day.

• (1630)

I commend the President of the Privy Council for his sensitivity. I think I speak for all my associates who love our country, who cherish its history, who prize and love those traditions which made this a great country, and for all my colleagues in the official opposition when I say that we do not want to be here on Dominion Day but the moment immediately thereafter we will be here to do the nation's business, despite how ill-organized may be the government's order of business.

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, I think the intervention by the hon. member for Hillsborough (Mr. Macquarrie) was hardly beneficial to the matter of considering the bill before the House and discussing its merits or shortcomings. And, of course, the official opposition had to seize on the opportunity to attempt to drum up the spurious idea that somehow the government is working against the best interests of national unity and national institutions. It was not the kind of attitude we expected on a day such as this.

The purpose of this bill, Mr. Speaker, is to increase the number of paid general holidays provided for in the Canada Labour Code from eight to ten by adding a day in each of the months of February and August, to be fixed by proclamation. At the present time, another day could be substituted for any of the holidays listed in the statute.

This is not the first time the hon. member has advanced a similar proposal; indeed, similar bills have been introduced on five previous occasions. What is the present situation? The Canada Labour Code in part III, labour standards, provides for eight general holidays with pay. It should be observed that this standard which came into effect on July 1, 1965—just about seven years ago to the day—was far in advance of the standards obtained by collective agreement in federal industries. The government then, as it has done in so many different areas affecting the working people of Canada, gave real leadership.

It is equally true that this agreement required a substantial adjustment by the employers under federal jurisdiction. As desirable as the proposal for ten holidays may appear to be, it is still far in advance of the general norm, although it is true that since 1965 there has been an increase in the number of employees receiving in excess of eight days' holiday. No federal government can be unmindful of the norms which prevail in the various regions of Canada. We have a responsibility to consider provincial implications and this responsibility extends as well, for example, to such areas as minimum wage legislation where there is substantial variation in minimum wages from east to west across the country.

According to the survey of working conditions conducted by the Canada Department of Labour on October 1, 1970, 71 per cent of all non-office workers in Canadian industries as a whole were receiving nine holidays or more in 1970. For office workers the corresponding figure was 84 per cent. The figures for ten days or more, however, were only 37 per cent of non-office employees and 51 per cent of office employees in 1970. Comparative figures for 1965 were, 44 per cent of non-office workers and 63 per cent of office workers receiving nine holidays or more, while those receiving ten holidays or more numbered 10 per cent of non-office workers and 40 per cent of office workers.

When we compare the proposal before us with existing provincial legislation, we see that only three provinces, Saskatchewan, British Columbia and Alberta, have legislation similar in principle to the federal holiday provisions. Three other provinces, Manitoba Ontario and Nova Scotia, have laid down requirements regarding pay for work done on public holidays. Saskatchewan and British Columbia provide for eight public holidays and Alberta provides for five. Both Manitoba and Ontario require payment of overtime pay for work done on seven public holidays. The Nova Scotia provisions, which are contained in minimum wage orders, require payment of overtime for work done on public holidays but do not stipulate the number of public holidays covered.

In the United States, the matter of paid general holidays has been left to collective bargaining. In the area of paid general holidays, the government of Canada, in establishing a minimum of eight paid days, may still be said to be in the forefront in this country, and indeed on this continent so far as legislation is concerned.

Part III of the Canada Labour Code dealing with labour standards is aimed at providing an acceptable minimum standard, and not at setting the pace for collective bargaining. Hon. members are aware that there has been no unwillingness on the part of the government to advance the boundaries of reform. When we talk in terms of providing better working conditions for Canadians wherever they live, we should remind ourselves that the minimum wage was increased by this government only a short while ago and may well be increased in the near future.

Maternity leave has been enacted for the women of Canada. There have been strengthened provisions for equal pay for equal work. Measures to provide protection against the adverse effects of technological change have been introduced, and today were passed by this House. We can look at the new unemployment insurance legislation which provides for sickness benefits, maternity benefits, and so on. There are few governments in the world which have advanced so much useful social reform in such a short period of time.

The government has concerned itself with progress and with the rights of the individual. When we look at the legislation as it exists with respect to the public holidays, we see that an employee in an industry to which the federal code applies is entitled to holidays with pay on

each of the following general holidays: New Year's Day, Good Friday, Victoria Day, Dominion Day, Labour Day, Thanksgiving Day, Remembrance Day and Christmas Day. The code also provides that under certain conditions an alternative holiday may be substituted for any of the eight holidays specified.

Mr. Knowles (Winnipeg North Centre): May I ask the parliamentary secretary a question?

Mr. Perrault: Yes.

Mr. Knowles (Winnipeg North Centre): Since the parliamentary secretary is enjoying giving this bit of history, would he also note that when the statutory holidays provision was first brought in by the Liberal government, it provided for only seven general holidays, and that it was because I moved an amendment which was carried in the House that the number was increased to eight?

Mr. Perrault: Mr. Speaker, I think that in many areas we have made progress in Canada, and I think any government member would be the first to acknowledge that government supporters do not possess all of the desire for social reform in this country. There have been useful contributions made by members who sit in all parts of this House; that is freely acknowledged.

Earlier in his speech the hon. member pointed out that what we do here is very important provincially, that provincial governments are affected by the laws we pass. This is a factor in the thinking of the government. For example, when it comes to minimum wage legislation, the fact, for example, that in Manitoba the minimum wage is lower than it is under federal jurisdiction, as it is in some of the other provinces, has an affect on the federal government when it moves to set an adequate federal minimum wage within its jurisdiction. Because we know that our actions affect the competitive situation in the provinces, if we fail to take into account their standards, unilateral actions here would be the actions of an irresponsible federal government. The relevant federal statute provides:

• (1640)

If Christmas, New Year's Day or Dominion Day falls on a Saturday or Sunday that is a non-working day for an employee, he must be given a holiday with pay on the working day immediately before or after the general holiday. These provisions regarding alternative days off do not apply, however, to employees covered by a collective agreement that entitles them to at least eight paid holidays a year.

Mr. Speaker, other members wish to speak on this bill and I do not want to continue my remarks at their expense. It can be seen that the picture is a rather mixed one across the country and that different standards appear to apply, depending upon regional considerations. Undoubtedly, the hon. member's proposal may come to pass in time, but the time may not yet have arrived.

Mr. Knowles (Winnipeg North Centre): It will come in time, but not in Liberal time.

[Mr. Perrault.]

[*Translation*]

THE ROYAL ASSENT

The Acting Speaker (Mr. Boulanger): I have the honour to inform the House that the following communication has been received:

GOVERNMENT HOUSE
OTTAWA

30 June 1972

Sir,

I have the honour to inform you that the Honourable Roland A. Ritchie, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 30th day of June, at 4.45 p.m. for the purpose of giving Royal Assent to certain Bills.

I have the honour to be,
Sir,
Your obedient servant,
André Garneau
Colonel
Administrative Secretary.

[*English*]

PRIVATE MEMBERS' PUBLIC BILLS

CANADA LABOUR CODE

PROVISION FOR TEN GENERAL HOLIDAYS WITH PAY

The House resumed consideration of the motion of Mr. Knowles (Winnipeg North Centre) that Bill C-21, to amend the Canada Labour Code (provision for ten general holidays with pay), be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

[*Translation*]

Mr. Albert Béchard (Parliamentary Secretary to Minister of Justice): Mr. Speaker, the Canada Labour Code has provided so far for eight general holidays a year with pay for all employees under the jurisdiction of the Canadian government.

Bill C-21, moved by the hon. member for Winnipeg North Centre (Mr. Knowles), does not amend in any way section 51 of the Code under which, in order to conform to special or local conditions, another holiday may be substituted for one of those listed in the act.

The new provision, increasing the number of holidays with pay in the year from eight to ten would allow all employees covered by the federal Labour Code to benefit from at least ten holidays with pay during each year of employment.

Here are the proposed holidays: New Year's Day, Good Friday, Victoria Day, Dominion Day, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day—these are the eight days already provided for in the Labour Code—plus the two new holidays with pay cov-

ered by the bill: one day in February and another in August, to be fixed by proclamation.

The definition of "holiday" appearing in section 26 of the Canadian Labour Code would be repealed and replaced by the one appearing in section 1 of Bill C-21 today before the House, reading as follows:

"general holiday" means New Year's Day, a day in February to be fixed by proclamation, Good Friday, Victoria Day, Dominion Day—

—or Canada Day, according to the expression used—

Labour Day, Thanksgiving Day, Remembrance Day and Christmas Day and includes any day substituted for any such holiday pursuant to section 51;"

Subsection (2) of section 51 of the Canada Labour Code is repealed and the following substituted therefor:

"(2) Where a collective agreement that is in effect on the day this Part comes into force provides for at least ten holidays with pay in each year, exclusive of any annual vacation, the employer who is bound by the collective agreement may designate a holiday specified in the agreement as a holiday in lieu of a specified general holiday under this Division and, on notification thereof to the Minister, that designated holiday shall, for those employees of the employer who are mentioned in the collective agreement, be a general holiday for the purposes of this Part during the period the collective agreement is in effect.

This proposal by the member for Winnipeg North Centre is a definite improvement over the conditions prevailing in the industry. We must recognize, as the Parliamentary Secretary to the Minister of Manpower and Immigration (Mr. Perrault) did, the value of some representations made by members opposite. However, we note—and we hope that hon. members opposite do as well—that since 1965 the number of employees who have more than eight days of general holidays has substantially increased.

Thus, according to the survey made by the federal Department of Labour, on October 1, 1970, 71 per cent of workers other than office employees enjoyed nine days of general holidays. For office employees, the proportion was 84 per cent. According to the same survey, relating to ten paid holidays, the percentages are as follows: 40 per cent for office employees and 21 per cent for other employees.

The Parliamentary Secretary to the Minister of Manpower and Immigration said earlier that only Saskatchewan, British Columbia and Alberta have legislation similar to that of the federal government. Thus, for example, the first two provinces have eight paid holidays and Alberta five. In Manitoba and in Ontario, it is stipulated that work done on any of the seven holidays will be paid at overtime rates. In Nova Scotia, the number of paid holidays is not stipulated. In Quebec, legislation provides seven days when stores must close.

[*English*]

Mr. Jerry Pringle (Fraser Valley East): Mr. Speaker, I am pleased to speak in this debate because I have always had a great deal of respect for the hon. member who proposed the bill. Although the proposals made in other years were not successful, this bill now before us gives an opportunity to look at the whole picture of statutory holidays.

The concept of general holidays with pay as a legal requirement was introduced in 1965. Holiday observance is a matter of custom which has been built up over the years. Whilst these holidays usually apply to people who work from nine to five, I think we should consider the many people in this country who must work on statutory holidays. I refer to the farmer, the fisherman, the self-employed man for whom such interruptions of work are not always possible. For this reason we should think seriously about increasing the number of statutory holidays. In certain agricultural areas, for instance, there has been some difficulty with regard to daylight saving time; some farmers have had difficulty in adjusting to it. I believe, too, that today's system of collective bargaining gives an opportunity to workers and management to work out proposals together without it being necessary for the government to legislate their rights. This is another case in which we would be doing just that.

• (1650)

We talk about days of celebration such as Christmas. In Canada we also celebrate Boxing Day, a custom which is not practised in the United States. I do not know whether it is generally known, but in the United States Good Friday is not a statutory holiday. We in Canada celebrate it. We celebrate Labour Day, which is a tribute to labour. That is certainly a holiday we should recognize. We also have other holidays in the year, such as birthdays of monarchs, and so on. These are not another day off for everybody. Through collective bargaining, hours of work are regulated. We do not put in nearly as many hours of labour as we did in years gone by.

It appears, Mr. Speaker, that I have had the last word in this House of Commons.

An hon. Member: Until Tuesday.

The Acting Speaker (Mr. Boulanger): Order.

THE ROYAL ASSENT

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber.

• (1700)

And being returned:

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

Bill C-195, an act to amend the Adult Occupational Training Act—Chapter No. 14

Bill C-204, an act to amend the Canadian Wheat Board Act—Chapter No. 16

Bill S-3, an act to change the names of the territorial court of the Yukon Territory and the territorial court of the Northwest Territories—Chapter No. 17

Canada Labour Code

Bill C-221, an act for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1973—Chapter No. 15.

At 5.10 p.m. the House adjourned, without question put, until Tuesday, July 4, at two o'clock p.m., pursuant to special order.

HOUSE OF COMMONS

Tuesday, July 4, 1972

The House met at 2 p.m.

ROUTINE PROCEEDINGS

TRANSPORT

TABLING OF REPORT, "THE CANADIAN NORTHWEST TRANSPORTATION STUDY"

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, on behalf of the Minister of Transport (Mr. Jamieson), and pursuant to Standing Order 41(2), I wish to table in English and in French a report entitled "The Canadian Northwest Transportation Study", prepared for the Minister of Transport by Hedlin Menzies and Associates Limited.

* * *

HOUSE OF COMMONS

CORRECTION OF ERROR IN COMMITTEE REPORT ON BROADCASTING OF DEBATES AS FOUND IN "VOTES AND PROCEEDINGS"

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise to suggest a correction that needs to be made in *Votes and Proceedings* for Friday, June 30, at page 475. I apologize to my hon. friend the hon. member for Grenville-Carleton (Mr. Blair), who tabled the report of the Standing Committee on Procedure and Organization on Friday, for not having reached him before two o'clock, but I am sure he will agree that this correction should be made. At page 475 in paragraph 28 there appears this sentence:

> Here in Canada the Legislature of Saskatchewan has been broadcasting certain of its proceedings by radio since 1964.

Sir, that should be changed to read "1946". I may say that in the French edition of *Votes and Proceedings* for Friday of last week the year is correct, 1946.

ORAL QUESTION PERIOD

LABOUR RELATIONS

QUEBEC—LONGSHOREMEN'S STRIKE—PROSPECT FOR SETTLEMENT IN LIGHT OF PROPOSALS BY DEPARTMENTAL MEDIATORS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Labour. Would the minister bring us up to date and let us know where matters now stand in the dispute concerning the St. Lawrence river ports?

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, I shall be glad to do that in as brief a compass as I can. During the weekend four days of mediation were held in Montreal in the Department of Labour's offices, with the deputy minister and assistant deputy minister assisting the two parties in an effort to reconcile their differences. As a result of that, a set of proposals was placed in front of both parties yesterday evening. Those proposals have been considered this morning at simultaneous meetings in the ports of Quebec City, Trois-Rivières and Montreal. I am awaiting clarification of the results of those meetings. Various reports have come forward, but I am not yet on firm enough ground to know the exact response made to them by the unions at their meetings or by the employers.

Mr. Stanfield: In view of the report that the Montreal local has put some new conditions on the proposals put forward by the mediators, can the minister indicate to the House what those conditions are?

Mr. O'Connell: Mr. Speaker, I have heard about the conditions only as reported generally through the press. We are trying to confirm them officially. In general, if they are as reported they relate, first, to a start-up date for the job guarantee to cut in or, putting it another way, to the date on which the suspension of job security would be lifted. Second, they relate to the withdrawal of all court actions for damages and other actions now pending. As I say, these conditions have not been confirmed to me officially, but these are the conditions that one hears about in unofficial reports.

Mr. Stanfield: Does the minister propose to discuss these conditions with the Maritime Employers Association? What procedure does the minister propose to follow?

• (1410)

Mr. O'Connell: Mr. Speaker, the procedure I propose to follow is to wait a very firm clarification of the situation in the three ports. I should like to assist the hon. gentleman as much as possible, but I do not think it would be helpful for me to propose any line of action now until the situation is more fully clarified.

Mr. Raymond Rock (Lachine): Mr. Speaker, I should like to direct a supplementary question to the Minister of Labour. How many dock workers will be allowed to return to work inasmuch as there is a serious loss of shipping business at the three ports?

Mr. O'Connell: Mr. Speaker, that is a question I cannot answer at the present time. In the normal course one

would expect that suspension of employment at some point would be lifted and the men would return to work as called by the employers in relation to the work that is available. I offer that as an answer.

QUEBEC—LONGSHOREMEN'S STRIKE—TIME LIMIT ON PROPOSALS OF DEPARTMENTAL MEDIATORS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, would the minister advise the House whether there was in fact any time limit fixed for the parties involved to accept the proposals as submitted?

Hon. Martin P. O'Connell (Minister of Labour): Yes, Mr. Speaker. As mediators my officials undertook to give today, July 4, for the purpose of considering the proposals developed in the mediation process and making their relative responses, one against the other.

Mr. Alexander: Mr. Speaker, can the minister advise whether in fact he has back-to-work legislation in the wings in the form of a trusteeship or perhaps in some other form?

Mr. O'Connell: Mr. Speaker, the government is prepared to take its responsibility when the situation has been more fully clarified.

* * *

BILINGUALISM

COMPLAINTS RESPECTING UNILINGUAL NATURE OF PROGRAM ON PARLIAMENT HILL ON JULY 1

Mr. David Lewis (York South): Mr. Speaker, in the absence of the Secretary of State who is supposed to be here I should like to direct this question to the right hon. Prime Minister. If I may say so, I think the Prime Minister and other members know I have supported the official languages bill and the bilingualism policy without any hesitation. In view of that I should like to ask the Prime Minister whether there was any discussion and consideration of what happened here on July 1 in Ottawa, and was it deliberately decided to have the affair here in Ottawa conducted mostly or almost entirely in one official language rather than in both?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this was not discussed outside of the department before the event. Since July 1, however, our own members from Ottawa West and Grenville-Carleton have raised this—

An hon. Member: I bet they have.

Mr. Bell: It is a little late for that.

An hon. Member: Where is Pelletier?

Some hon. Members: Oh, oh!

Mr. Trudeau: I see that hon. members are not interested in a serious answer.

An hon. Member: Yes, we are.

[Mr. O'Connell.]

Mr. Alexander: Please continue.

Mr. Trudeau: I have discussed this with the minister who is in Montreal today at a meeting scheduled long ago with the film industry where he intends discussing policies of the government in respect of that industry. I am prepared to say on behalf of the government that it is unfortunate when an event of a national character does not reflect the realities of this country.

Some hon. Members: Hear, hear!

An hon. Member: It sure is.

Mr. Trudeau: The report I have of the manner of presentation of the program on Saturday night here on the Hill is that it did fall into this category and did not reflect the national character of this country. I feel this is very regrettable and I do want to offer an apology on behalf of the government. I hope the situation will not repeat itself, and we have taken steps to ensure that it will not.

Some hon. Members: Hear, hear!

Mr. Lewis: Mr. Speaker, I asked the question with the hope that the Prime Minister would give the answer he has given, and all of us are grateful to him for it. May I simply ask this supplementary question. In view of the fact this kind of thoughtless act by the department is harmful to Canada and the official languages idea and to bilingualism, the idea which the Prime Minister and many of us support, would the Prime Minister tell the Secretary of State here publicly that this kind of behaviour must not again be repeated in this country?

Some hon. Members: Hear, hear!

PROGRAM ON PARLIAMENT HILL ON JULY 1—REASON FOR NOT CONSULTING CANADIAN FOLK ARTS COUNCIL

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my supplementary is for the Prime Minister. Can the Prime Minister say why the Canadian Folk Arts Council was not consulted on the July 1 program as it has been for the past four or five years, with the result that there was no participation by that group representing the many ethnic communities? If you will keep that member over there quiet, perhaps the Prime Minister would be able to hear me.

Mr. Trudeau: Of course I cannot say why such and such a group was not consulted. I do know that the Department of the Secretary of State, which is responsible for a series of manifestations in and around the Hill between the end of June and the end of July, has taken in as many groups as possible. They could not all be involved within one night but if the hon. member looks at the over-all presentation I am sure he will find that many groups have been involved and, indeed, that the language balance has been, over-all, respected. In some cases in the past I think there has been a tendency on occasions of national importance to forget that the French language exists. I think this was very regrettable, and if the contrary happened on Saturday night I think it is equally regrettable.

Hon. George Hees (Prince Edward-Hastings): I have a supplementary, Mr. Speaker. I should like to follow the supplementary of the hon. member for York South who put a very good one to the Prime Minister which was not answered. I think it represents the feeling of the whole House. Would the Prime Minister undertake to speak very seriously to the Secretary of State to make sure, in the interests of the unity of the whole country, that this kind of thing does not happen again?

Mr. Trudeau: Well, Mr. Speaker, I think I can give the hon. gentleman the undertaking that after the next election the Secretary of State will be in another portfolio.

An hon. Member: That's for sure.

Mr. Speaker: Order, please. A number of members are seeking supplementaries on this subject. The Chair will recognize first the hon. member for Saint John-Lancaster.

COMPLAINTS RESPECTING UNILINGUAL NATURE OF PROGRAM ON PARLIAMENT HILL ON JULY 1— SUGGESTED REFERENCE TO COMMITTEE

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, my supplementary is for the Prime Minister. In view of the ramifications of the July 1 celebration as evidenced by the unfortunate incident last Saturday, would the Prime Minister undertake, since it is apparent we will be back this fall, to refer this matter to a House of Commons committee so that members can put forward their ideas on these very important matters since we ultimately are blamed for them?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not agree with the premise of the question when the hon. member includes himself in the sentence, "we will be back here next fall."

Mr. Speaker: The hon. member for Annapolis Valley.

COMPLAINTS RESPECTING UNILINGUAL NATURE OF PROGRAM ON PARLIAMENT HILL ON JULY 1—REQUEST FOR STATEMENT

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is addressed to the Prime Minister. In view of the reported statement of the Secretary of State, I gather in Montreal—and the Prime Minister alluded to the history of this country—that other Dominion Day or Canada Day or July 1 celebrations seemed to be too much unilingual the other way, will the Prime Minister speak to the Secretary of State and have him make a statement or make a statement himself to ensure that future July 1 celebrations will be truly bilingual in character and not reflect the unilingual character of one race or the other?

Right Hon. P. E. Trudeau (Prime Minister): Yes, I can assure the hon. member that future July 1 celebrations organized by this government will be bilingual and multicultural.

[*Later:*]

ALLEGED FAILURE BY ONTARIO TO SPEND FEDERAL MONEY ALLOCATED TO ENCOURAGE BILINGUALISM IN SCHOOLS FOR THIS PURPOSE

Mr. E. F. Whelan (Essex): Mr. Speaker, I have a supplementary question for the Prime Minister. Would he investigate the charges by some school boards in Ontario that the money allocated by this government to the province of Ontario to support and encourage bilingualism in the schools is not being spent for this purpose? Perhaps more people would be able to understand programs, regardless of the language, if the province of Ontario did what it is supposed to do with that money.

Mr. Alexander: What is your point?

Mr. Muir: Ontario is not all of Canada.

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, this matter has caused us some concern as regards the practice followed in various provinces. The Secretary of State has said that he would review the way in which federal money had been spent by various provincial governments to ensure that the ends and goals mentioned by the hon. member will in fact be pursued with this money.

* * *

[*Translation*]

LABOUR RELATIONS

QUEBEC—LONGSHOREMEN'S STRIKE—POSITION OF CERTAIN STRIKERS RESPECTING RETURN TO WORK

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to put a supplementary to the question put by the hon. leader of the opposition to the Minister of Labour.

Can the minister tell us whether groups of longshoremen from Quebec or Trois-Rivières have advised him, by telephone or otherwise, of their wish to return to work?

• (1420)

[*English*]

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, I have had no personal appeals from or consultations with groups of longshoremen in Quebec or Trois-Rivières.

* * *

NATIONAL REVENUE

REQUEST TO SENIOR CITIZENS TO PAY INCOME TAX ON QUARTERLY BASIS

Mr. A. D. Hales (Wellington): I should like to direct my question to the Minister of National Revenue, Mr. Speaker. It arises from many complaints I have received and I am sure other members have also received such complaints. It has to do with the request made to senior citizens in particular to submit their income tax on a quarterly basis whereas they have been paying it on a yearly basis. Would the minister give special considera-

tion to these senior citizens and allow them to pay once a year rather than quarterly?

Hon. Herb Gray (Minister of National Revenue): Mr. Speaker, this is essentially a matter of tax policy. It was dealt with in part by a provision in the recent budget which I believe would not require instalment payments from people who would have to pay less than $400 a year in tax, if I am not mistaken.

* * *

AIRPORTS

EARLTON—REQUEST FOR IMPROVEMENT OF FACILITIES

Mr. Arnold Peters (Timiskaming): Mr. Speaker, now that the Prime Minister has had the opportunity to visit Timiskaming and to use the facilities at Earlton airport, would he give immediate consideration to the rebuilding of those totally inadequate terminal facilities at the Department of Transport airport?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will certainly take up this matter with the Minister of Transport. I landed there without any difficulty and was happy to see that there was enough room for the many Liberals who had come to greet me.

Some hon. Members: Hear, hear!

Mr. Hees: You don't need much room for them.

Some hon. Members: Oh, oh!

Mr. Trudeau: I regret that the hon. member did not follow the example of the hon. member for Prince Edward-Hastings of sticking close to me to get into the pictures that were taken.

Some hon. Members: Oh, oh!

Mr. Hees: I rise on a question of privilege, Mr. Speaker. The Prime Minister was very obviously standing close to me in Prince Edward-Hastings to get some publicity there.

Mr. Speaker: Order, please.

* * *

AGRICULTURE

BLACK FLY OUTBREAK IN ALBERTA—ASSISTANCE TO FARMERS SUFFERING LOSSES—POSSIBILITY OF USE OF DDT

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Minister of Agriculture. In light of the severe outbreak of black flies in some parts of Alberta, notably Athabasca, does the federal government intend partially to assist farmers who have suffered financial losses as a result of this outbreak?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I will have to take notice of that question. The matter has not been drawn to my attention.

[Mr. Hales.]

Mr. Yewchuk: Would the minister consider a partial and controlled reintroduction of DDT to control this insect?

Mr. Olson: If there is a possibility or indeed a spreading of disease by any insect, there is already provision in the act whereby some use of DDT can be made to control insects that may be spreading disease.

Mr. Yewchuk: Mr. Speaker, would the minister undertake to investigate this matter and make a statement to the House when his investigation is completed?

Mr. Olson: Mr. Speaker, I am not sure that I will make a statement to the House, but I will be in touch with the hon. member as soon as I have had an investigation made.

* * *

ADMINISTRATION OF JUSTICE

JUDGMENT ASSERTING RIGHT OF ACCUSED TO CONSULT COUNSEL BEFORE BREATHALYZER TEST FOR IMPAIRED DRIVING—POSSIBILITY OF LEGISLATION

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, I wish to direct a question to the attention of the Prime Minister. It is further to questions asked the other day of the Minister of Justice with regard to the Supreme Court ruling on the application of the breathalyzer legislation. Having in mind the fact that this ruling clearly undermines the ability of that legislation to protect the public from drunken drivers, is the government giving any consideration to this situation, possibly with a view to introducing further legislation?

Right Hon. P. E. Trudeau (Prime Minister): I thank the hon. member, Mr. Speaker, for sending me notice of his question, but I received it only five minutes ago and I have not had a chance to communicate with the Minister of Justice. He will be in the House tomorrow and I will ask him to deal with the question.

* * *

AGRICULTURE

EGGS—USE OF IMPORT CONTROLS TO PROTECT INDUSTRY

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. In light of the fact that the government has spent considerable time, effort and money on developing a profitable egg industry in Canada, can the government assure the House that adequate provisions have been made for import controls so that importation of eggs will not destroy the profitable egg market for farmers in this country?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, we have some obligations under international agreements that we have to respect. There has been a significant improvement in egg prices. Indeed, there was some room previously to allow an upward movement in prices before this would attract any imports, as set out in the agreement that I have with the provinces. Of course an attempt will be made to supply the Canadian market from domestic

production, and in this respect we would hope that a national egg marketing plan, agreeable to all the provinces, would take care of this situation as well.

Mr. Danforth: May I ask the minister whether there are any departmental provisions that can be enforced if imports are seriously affecting the Canadian market for eggs?

Mr. Olson: Yes, Mr. Speaker, there are some pieces of legislative authority to which we can refer in order to take care of such a problem.

PROVISION OF MILK AND EGGS TO POOR PEOPLE

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, may I direct a question to the Minister of Agriculture. In view of the report of the Montreal Diet Dispensary on the importance of a proper diet and adequate food for mothers and families in poverty or low-income areas in Canada, will he undertake to study ways and means whereby basic foods such as milk and eggs can be provided to people at or below the poverty level?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, a great deal is being done by the government to provide food to people who are unable to buy it through payments to the provinces.

Mr. Gleave: Mr. Speaker, when objectives are set for Canadian egg and poultry production under the proposed supply-management programs, will the minister take into account not only the needs of the commercial and export markets but also the needs of those Canadians who are unable—

Mr. Speaker: Order, please. That is obviously debate.

Mr. Gleave: Mr. Speaker, I rise on a point of order. With all due respect, Mr. Speaker, could the minister be permitted to answer my question?

Mr. Speaker: Of course not. I indicated to the hon. member that his question is out of order.

* * *

FINANCE

INQUIRY AS TO DIVERSIFICATION OF HOLDINGS OF U.S. DOLLARS OR GUARANTEE OF EXCHANGE RATE

Mr. J. P. Nowlan (Annapolis-Valley): Mr. Speaker, my question is directed to the Minister of Finance. A few days ago I asked him whether any effort was being made by the government or the Bank of Canada to seek a guarantee of the exchange rate on our abnormally large holdings of U.S. dollars, or whether we were diversifying our large holdings of U.S. dollars, and the minister replied that there was nothing being done about a guaranteed rate on our international exchange holdings. Has anything been done by the government or the Bank of Canada to diversify our holdings of U.S. dollars in view of the more favourable exchange rate today?

• (1430)

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the matter is being looked into but, as I suggested to the hon. member the last time he brought up the question, it is a matter that would take some explanation and some debate.

Mr. Nowlan: I appreciate the complexity of the problem and perhaps my question was not too explicit. Is something being done to diversify the exchange holdings and to seek a guarantee for those holdings?

Mr. Turner (Ottawa-Carleton): Not in the terms that the hon. member has posed the question, Mr. Speaker.

INQUIRY AS TO RENEGOTIATION OF CANADIAN COMMITMENTS RESPECTING INVESTMENT OF FOREIGN EXCHANGE FUNDS

Hon. Robert L. Stanfield (Leader of the Opposition): I have a supplementary question, Mr. Speaker. Is the Minister of Finance undertaking any renegotiation of the existing Canadian commitment about the investment of our foreign exchange fund in certain categories of U.S. commitments? Is the minister letting that ride along or is he undertaking any renegotiation of the commitments that Canada made a few years ago?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the hon. member for Edmonton West brought that question up some time ago. My answer now to the Leader of the Opposition would be that any renegotiation of that type would probably have to await a general renegotiation of the international monetary picture.

* * *

PENITENTIARIES

POSSIBILITY OF FREE TRANSPORTATION FOR RELATIVES TO VISIT INMATES

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is directed to the Solicitor General. Is his departments studying the possibility of free transportation for relatives to visit inmates of federal penitentiaries and, if so, when can a decision be expected?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, with regard to LIP, we made an experiment in one of our penitentiaries; representations have been made asking that the program be applied across the country. Off hand we know it would be very costly, and I asked that studies be made to know more specifically where we would be going. We must stop to consider the obvious problem posed by the fact that some institutions are very far from urban centres, and that this imposes a heavy financial burden on families that want to visit prisoners.

Inquiries of the Ministry

[*English*]

ADMINISTRATION OF JUSTICE

ACTION TO COMPENSATE VICTIMS OF CRIMES

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I have another question for the Solicitor General. Is any immediate action planned to compensate the victims of crimes committed by inmates of penitentiaries?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, the Hon. member ought to know that several provinces have already acted in this field and that the federal government has examined the various policies which are being developed throughout the country in order to see that there is a certain uniformity and also some generosity toward the victims of crime.

* * *

[*English*]

CAPITAL PUNISHMENT

INQUIRY AS TO AMENDMENT OF LAW PRIOR TO EXPIRY OF BAN ON HANGING

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a further question for the Solicitor General of Canada. In view of the fact that several persons have been convicted of killing policemen and the present government has not carried out the law dealing with such offenders, is it the intention of the government to bring in amendments to the present law before the five-year ban on hanging expires on December 27?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, first I should like to say that this government has always stuck to the law concerning these criminals, and that this question is being considered by the government. It is certainly difficult, in the present situation, to make an accurate assessment of the five years trial period since it has not yet expired. Furthermore, we know very well that we cannot get the required statistics in order to consider this period before one more year has elapsed so as to enjoy a certain retrospective and thus give a better opinion.

* * *

[*English*]

TRADE

UNITED STATES DISC PROGRAM—REPORTED AMENDMENTS TO IMPROVE—CONSULTATION WITH CANADA

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce, if I can get his ear. In view of the fact that in a recent report from New York it is asserted that the United States government is very happy with the results of the establishment of over 2,000 DISC corporations, and as the U.S. Treasury Department is planning to introduce two amendments or proposals to improve the DISC program so that the results will be even more beneficial to them, can the minister inform the House whether the government of Canada has been consulted about these new proposals and, if so, can he tell the House whether they are likely to have serious effects on Canada-U.S. trade?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): No, Mr. Speaker, and neither did the Canadian government consult with the United States government on the employment maintenance program a few months ago.

UNITED STATES DISC PROGRAM—INTENTION OF GENERAL MOTORS RESPECTING USE THEREOF

Mr. Broadbent: I wonder whether the minister has been in touch with the General Motors Corporation since the House last met to find out if it intends to export into Canada under the DISC program?

Mr. Pepin: I have not personally, Mr. Speaker, and I have not seen my officials who are in charge of that since early this morning, but I shall inquire.

[*Later:*]

UNITED STATES DISC PROGRAM—ASSESSMENT OF POSSIBLE DAMAGE TO ENABLE CANADIAN INDUSTRIES TO TAKE PROTECTIVE MEASURES

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, my supplementary question is for the Minister of Industry, Trade and Commerce. In view of the prime importance of the effects that the institution of the DISC program in the United States could have on some of our major industries, may I ask the minister whether his department has yet devised any reasonable method of assessing what this damage may be in order that our industries will have an opportunity to institute measures to combat these effects?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): No, Mr. Speaker. Our position is that the budget recently announced will go a long way toward compensating for the DISC advantages, and I have already informed the House that we are developing ways and means by which we will be informed about other countries in the world using export subsidies in their trade with Canada.

ANTI-DUMPING TRIBUNAL—SUGGESTED NAMING OF CHAIRMAN

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, on Thursday last I put a question to the Prime Minister or to the Minister of Industry, Trade and Commerce which should have been directed to the Minister of Finance. I would refer him to page 3643 of *Hansard*, where I asked whether, in view of the fact that there are hearings before the Anti-Dumping Tribunal and that some sort of cloud still hangs over certain decisions of that board, the minister would advise the House when it is intended to appoint a new chairman of the board so that the board will be regularly constituted for its investigatory work as well as any particular hearings that may be held over the next few months?

Hon. John N. Turner (Minister of Finance): Yes, Mr. Speaker, I consider that to be an urgent matter. As the Prime Minister said, I have had discussions with him.

Mr. Lambert (Edmonton West): When may we expect the announcement and the regularization of the membership of this board?

Mr. Turner (Ottawa-Carleton): When I have found an appropriate person to fill the position, Mr. Speaker.

* * *

INQUIRY OF THE MINISTRY

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is for the Prime Minister. Now that he has had Kosygin and Tito here and will be visiting President Allende of Chile this summer, when can we expect to see Castro, the fourth Marx brother?

Mr. Speaker: Order, please.

* * *

CONSUMER AFFAIRS

ALLEGED DELAY BY AUTOMOBILE MANUFACTURERS IN RECALLING CARS WITH DEFECTIVE PARTS UNTIL WARRANTIES HAVE EXPIRED

Mr. John Burton (Regina East): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Is his department investigating the practice of large companies, particularly auto companies, of delaying the recall of vehicles with defective parts until the warranties or a large percentage of them have expired, thus reducing the cost of replacement to the companies?

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): Mr. Speaker, the department is not investigating this allegation but I will give consideration to the representation made by the hon. member.

* * *

IMMIGRATION

STATUS OF DEPORTATION ORDERS

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, my question is for the Minister of Manpower and Immigration with regard to his efforts to clear up the immigration backlog. Are deportation orders presently being carried out or has a moratorium been declared pending review?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, it depends primarily on what the deportation orders are related to. Basically, they are being carried out.

Inquiries of the Ministry

DEPORTATION ORDERS—ACCESS TO IMMIGRATION APPEAL BOARD

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, may I ask the minister whether any consideration is being given to eliminating the present practice that an order of deportation is made at the time of the special inquiry and the only way a bona fide immigrant may appear before the Immigration Appeal Board is through the making of a deportation order and an appeal from that order?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, under the present practice the deportation order is issued at that particular stage. As the hon. member knows, we are reviewing all our practices so that the next piece of legislation to be introduced this fall will reflect a different approach.

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SCIENCE AND TECHNOLOGY

USE OF GREATER PROPORTION OF SCIENCE BUDGET TO SOLVE PROBLEMS OF GOVERNMENT DEPARTMENTS

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, my question is for the Minister of State for Science and Technology. Does the minister endorse the view of Dr. Solandt that more of the government's science budget should be devoted to solving the problems of the day—

Mr. Speaker: Order, please. The question cannot be asked in this way. The hon. member is referring to a statement made outside the House. The question should be asked directly by the hon. member.

• (1440)

Mr. Thomson: Mr. Speaker, may I rephrase the question. Will the minister be suggesting to the appropriate government department that more science money should be spent on solving the problems facing government departments?

Hon. Alastair Gillespie (Minister of State for Science and Technology): Mr. Speaker, the ministry and the minister will be looking at science expenditures from the viewpoint of whether they support national objectives.

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AIRPORTS

MOUNT HOPE, ONT.—PROVISION OF DETAILED EXPANSION PLANS TO MUNICIPALITIES INVOLVED

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I wish to address my question to the Minister of Transport but as he is not here perhaps his parliamentary secretary could answer. Can the parliamentary secretary advise the House whether detailed plans regarding the Mount Hope extension have been forwarded to the municipalities involved? If so, will the detailed plans be made public?

[*Translation*]

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): I shall take note of this question, Mr. Speaker.

[*English*]

Mr. Speaker: The hon. member for Humber-St. George's-St. Barbe.

Mr. Marshall: Mr. Speaker—

Mr. Speaker: Order, please. I apologize to the hon. member. The hon. member for Hamilton West rises on a point of order.

Mr. Alexander: On a point of order, Mr. Speaker, and with all due deference to the parliamentary secretary, I did not have my earphone on and could not understand the reply.

An hon. Member: He took the question as notice.

Mr. Alexander: He took it as notice, did he? I hope you will follow it up, contrary to what you did the last time.

Mr. Speaker: Order, please. The hon. member knows he ought to address the Chair.

* * *

HEALTH AND WELFARE

INQUIRY AS TO INTRODUCTION OF PROGRAM "NEW HORIZONS FOR THE AGED"

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is addressed to the Minister of Manpower and Immigration. I wonder if the minister could advise the House whether there have been co-ordinating discussions with the Minister of Finance and the Minister of National Health and Welfare with regard to the New Horizons program for senior citizens? Would he advise the House when he will be able to give us some information regarding the introduction of such program?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, I think the Minister of National Health and Welfare said last week that he would be announcing the specific details of the program as soon as he has completed his discussions with the provinces.

* * *

INDUSTRY

MICHELIN TIRE COMPANY—SUBMISSION OF REPRESENTATIONS TO UNITED STATES AGAINST COUNTERVAILING DUTIES

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Have the minister and his departmental officials completed all the necessary research and work relative to the submission to the United States government to exempt the products of the Michelin Corporation from countervailing duties?

[Mr. Alexander.]

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, the date for the submission is July 12. We still have eight days.

* * *

VETERANS AFFAIRS

DISABILITY PENSION AND ALLOWANCE RATES—REQUEST FOR REFERENCE TO STANDING COMMITTEE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Veterans Affairs. As the House is still in session and as the Standing Committee on Veterans Affairs has reported back to the House on all the references given to it thus far, will the minister consider presenting to the House this week a motion referring to that committee the question of the basic rates of war disability pensions and war veterans allowances?

Hon. Arthur Laing (Minister of Veterans Affairs): Mr. Speaker, first of all I want to make a study of the current recommendation that has been presented to the House. Concurrence in it has not yet been moved and I want to study it with my officials.

Mr. Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. Will the minister give that consideration as quickly as possible in the hope that the reference we are requesting might be made before the House again tries to recess?

Mr. Speaker: Order, please. That is a representation.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, may I direct my supplementary question to the President of the Privy Council. As the Minister of Veterans Affairs and the chairman of the Standing Committee on Veterans Affairs have agreed that the matter of basic rates of pensions should be referred to that committee, would the minister take this necessary action before the recess?

Mr. Laing: Mr. Speaker, I have said that I would have no objection at all if this matter were referred to the Standing Committees on Veterans Affairs. In addition, the president and certain officers of the Royal Canadian Legion are to meet me within a week to discuss the same matter.

* * *

STATISTICS CANADA

REQUEST THAT VITAL STATISTICS FOR BURLINGTON, ONTARIO, BE SEPARATED FROM THOSE FOR HAMILTON

Mr. A. D. Hales (Wellington): Mr. Speaker, may I direct my question to the Minister of Industry, Trade and Commerce who is responsible for Statistics Canada. As vital statistics for Burlington, Ontario, with a population of 90,000, are included with those of Metropolitan Hamilton, thus denying these people the services of Statistics Canada, will the minister give consideration to correcting this injustice?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I will look into the matter as soon as Bill C-201 is passed.

Mr. McCleave: The minister must be joking.

* * *

ENERGY

PRICE OF NATURAL GAS—SUGGESTED REPRESENTATIONS TO ALBERTA BOARD TO PROTECT PUBLIC INTEREST

Mr. Max Saltsman (Waterloo): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs in his capacity as ombudsman for the consumer. Is the minister following the hearings of the Alberta Energy and Resources Conservation Board, from which it appears that there will be a substantial increase in the price of gas which will affect every consumer of Canada? Has the minister a representative at those hearings and does he intend to make representations on behalf of the consumers?

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): Mr. Speaker, the answer is no to both questions.

* * *

CONSUMER AFFAIRS

IMPLEMENTATION OF HAZARDOUS PRODUCTS REGULATIONS IN REGARD TO CRIBS, PLAYPENS, WALKER-JUMPERS AND PACIFIERS

Mr. Steven Paproski (Edmonton Centre): Mr. Speaker, may I direct a supplementary question to the Minister of Consumer and Corporate Affairs. If the minister cannot answer, perhaps the Prime Minister can. Is the government making a study of baby cribs, playpens, walker-jumpers and pacifiers in order to implement regulations under the Hazardous Products Act? If not, why not?

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): Mr. Speaker, I will note the hon. member's representation and find out if these products are being examined. It is quite likely they are, but I cannot be sure.

* * *

NATIONAL DEFENCE

POSSIBLE REPLACEEMENT OF CENTURION TANK BY SCORPION—CONTRACT DETAILS—MANUFACTURE IN CANADA

Mr. Doug Rowland (Selkirk): Mr. Speaker, my question is for the Minister of National Defence. It is my understanding that the government is determined to purchase the Scorpion as a replacement for the Centurion tank. Would the minister indicate whether these vehicles will be manufactured in Canada, whether the contract has been let, what the amount of it is, and how many units will be constructed?

Hon. E. J. Benson (Minister of National Defence): Mr. Speaker, I never said that we would purchase that particular vehicle. Negotiations have been going on with respect to that vehicle. We have considered others. It is probable we will purchase that vehicle, but it has not been decided at this point.

Mr. Speaker: Orders of the day.

Mr. Rowland: Mr. Speaker, may I ask a supplementary question?

Mr. Speaker: Perhaps the hon. member might ask one supplementary and then we will call orders of the day.

Mr. Rowland: Mr. Speaker, is it government policy that whatever replacement is purchased it will be manufactured in Canada?

Mr. Benson: Mr. Speaker, it is government policy that we seek offsets.

Mr. Speaker: Orders of the day.

• (1450)

GOVERNMENT ORDERS

FOREIGN TAKEOVERS REVIEW ACT

MEASURE TO CONTROL FOREIGN TAKEOVERS OF CANADIAN COMPANIES

The House resumed, from Monday, June 26, consideration of Bill C-201, to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs, and Motions Nos. 4 and 18.

Mr. Max Saltsman (Waterloo): Mr. Speaker, I wish to support the amendment incorporating the principle that there should be consultation with the provinces on matters related to foreign takeovers. I say that because, too often, this principle has been neglected. When we discussed this bill in committee, the question as to whether provinces should be heard arose. I was assured, and had reason to believe, that the provinces had been consulted regarding this bill and that there was some kind of agreement regarding foreign takeovers.

Our experience since then has shown that there has not been any consultations with the provinces and that this bill, whatever its value may be, is a bill that has been introduced by the federal government without consultation with the provinces. Throughout the discussions on foreign ownership and takeovers, the federal government did not appear willing to become involved with the provinces on this matter. I think that was regrettable. In the final analysis, one of two things must happen if there is to be a policy on foreign ownership. Either the provinces must agree to it, or the provinces will be confronted with it. The federal government, in acting, will need to go over the heads of the provincial governments and appeal directly to the people of Canada.

I realise that the insistence upon consultation with the provinces may create difficulty for the federal government because many provinces are strongly opposed to any restrictions on foreign ownership, and takeovers in particular. British Columbia does not seem to be happy about the idea, neither does Alberta. The Maritimes are too desperate to look any gift horse in the mouth. The debate over foreign ownership appears to arise mainly in a couple of the prairie provinces and in the great province of Ontario. This being the case, it would be a great error to try to slide into a policy without consulting the provinces. Sooner or later a conflict is bound to arise between the federal government and one or more of the provincial governments should the federal government intend to act at all. Before we can advance further, it may, I suggest, be necessary to bring about a polarization of opinion on the question of foreign ownership.

Mr. Speaker, I wonder whether, in your wisdom, you might try to do something about the acoustics in the chamber.

Mr. Deputy Speaker: I thank the hon. member for bringing this to my attention. I suggest to hon. members that if they wish to carry on conversations they should do so in the lobby or behind the curtains.

Mr. Saltsman: Thank you, Mr. Speaker. The federal government realizes, perhaps, that unless there is a polarization of views, people expressing themselves for or against in a positive way, we shall never be able to deal effectively with the issue of foreign ownership. In the case of Quebec, the policy of the government was to force a polarization of opinion in the province; the people of Quebec will have to choose whether or not Quebec is to stay in Canada. At the moment, the situation looks encouraging. For a long time we carried on pretending there was really no problem in Quebec—that with the help of quiet diplomacy things would work themselves out. But that was not the wisest course to take. Until people are confronted with a choice, no decision can be reached. A similar situation arises in connection with foreign ownership. I realize that many difficulties will present themselves if the amendment we are discussing is accepted. On the other hand, I believe it is necessary to confront this issue head on.

When the House was debating tax reform, members of this party called attention over and over again to the necessity of taxing all industries equally. We argued that the resource industries in particular should pay their full share of taxation to the federal government. It is often said that if the resource industries do not pay their full share of taxation to the federal government they are escaping scot-free. In fact, what happens just as often is that when the federal government decides not to tax on behalf of the people of Canada as a whole the provinces move in to take the available revenue. This creates a situation in which some provinces accumulate wealth for themselves. In Ontario, where the principal occupation is manufacturing, the taxes on the manufacturing industry which goes to the federal government are spread across the country and the rich province of Ontario thus helps to support the poorer provinces of Canada. This is the way it should be.

[Mr. Saltsman.]

But when resources are not taxed as heavily as they might be, the rich provinces, Alberta, for instance, try to take as much of the revenue as possible for themselves. A good many people who live in Alberta will, doubtless, say: They are our resources and we are entitled to the revenue. But every government in Canada could argue that the wealth it produces is a product of its resources, or its talent, and that it is entitled to all the benefits. This is not the basis upon which we are trying to build up our society, however. We are trying to build it on the basis of sharing and, for the reason I have explained, when the government does not tax equally we are not sharing equally. Oil and gas have now been discovered in the Maritimes and the maritime provinces want to keep the revenue themselves. Why should they not do so? After all, this is what Alberta has been saying for years, as well as other provinces, to the extent that they possess such resources. On this basis the Maritimes are fully justified in insisting that the benefits from offshore mineral rights should accrue to them. The federal government contends that the revenue must be shared with others. But it has failed to follow the principle of taxing resource industries equitably across the country and in these circumstances it is difficult for the federal government to argue convincingly that maritime resources should be shared with the rest of Canada. This is the problem which the federal government has created for itself.

As I said earlier, we are all aware that great difficulties will arise when an attempt is made to negotiate the foreign ownership and takeover issue with the provinces. But I believe these conflicts of opinion should be brought into the open so that they can be discussed and dealt with. This is really the point of the amendment. I do not really believe that the amendment, if accepted, will make things easier either for the federal government or for the provinces. It may be we are in trouble now because in the past we have looked for the easy way out instead of trying to do the proper thing. I am suggesting that we agree to the amendment, face the problem and oblige the federal government to discuss with the provinces the whole question of foreign ownership and takeovers so that we can reach a settlement which will be of benefit to this country and, more especially, lead to the establishment of an intelligent policy of foreign ownership. It will probably mean that some day a way will have to be found to share all of the resources of this country among the people. Whether they are resources in Alberta arising from mineral deposits or whether they are resources in Ontario in the form of manufacturing, they will have to be distributed across the country if we are to solve the long standing difficulties existing between the provinces themselves and between the provinces as a whole and the federal government. The sooner there is consultation with the provinces and they are asked to consider foreign ownership and foreign takeovers, the closer will draw the day when an intelligent policy is devised.

• (1500)

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, it is unfortunate that my colleague, the hon. member for Fundy-Royal (Mr. Fairweather) who proposed this motion is absent today. He is a member of the board of governors of the University of New Brunswick, and the board is

meeting today to choose a new president. Obviously he finds his presence is required in Fredericton rather than here today.

This is a debate that was unannounced beforehand and which in any event seems to be serving a rather ulterior purpose for the government. Ostensibly we are being held here to deal with the dock strike in Montreal, but instead—and despite vehement protestations to the contrary—the government is carrying on with its normal legislative program and we do not know when we are going to deal with the dock strike. So much for the credibility of the government in setting down a motion in the name of the Prime Minister (Mr. Trudeau) and the right hon. gentleman's statements on television and to private members, that this House was going to complete its deliberations on Friday. We understand the seriousness of the labour problems in Montreal, but I want the minister to tell the house straightforwardly how long this pretext that we are here to deal with the dock strike is going to continue and whether we are going to deal with this and other legislation purely on an ad hoc basis?

This situation typifies the government's mishandling of the business so far. There was no question of there being ample time to consider this legislation prior to June 30 so that we might accept it. In the first place, it is badly drafted legislation which embraces, in many instances, utterly false concepts. It is then presented to us almost on the eve of the close of the session, the government having full knowledge of the number of supply or allotted days that had to be called in June. Although there was nothing the government could do about that rule, it blithely put forward this legislation which involves a most important principle, namely, whether the government of Canada can unilaterally set itself up as an economic czar, or create the office of an economic czar through the Minister of Industry, Trade and Commerce (Mr. Pepin), with regard to the development of industry and growth of business across the country involving a very limited degree of foreign ownership, as outlined in the bill.

The amendments to clause 2 of the bill, and the amendment that has been put forward by the hon. member for Fundy-Royal, crystallize the fundamental question underlying this bill, which is how much unilateral authority the government believes it has in relation to the economic development of this country. This amendment provides that there must be some degree of consultation with the provinces. My colleague questioned the minister about this as will be seen by reading page 24:13 of volume 24 of the proceedings of the Standing Committee on Finance, Trade and Economic Affairs on June 20. The minister gave a reply that can be contrasted with that of his colleague the Minister of National Revenue (Mr. Gray), who had consulted the provinces. To the surprise of every member of the committee, the latter minister refused to give any indication of the attitude of the provinces, except to say in a general way that some were in agreement and some were not. The minister wasted the time of the committee during one evening's session, and it is no wonder that my colleague for Fundy-Royal quit the meeting. It was a disgusting performance and an effrontery to the committee that the minister spoke in this manner.

His colleague, the Minister of Industry, Trade and Commerce, I will say, was much more forthcoming, though he did not indicate that a particular province made any particular point. I think he should have done so, since I read in a daily newspaper in my home city of Edmonton that the government of Alberta had taken the stand that it wanted full consultation. I agree with that stand. There is no way the government of Canada can declare that, by virtue of section 91 of the British North America Act, it has jurisdiction to move into this area unilaterally. One can only move in unilaterally in the same way that one can try to butt down a brick wall with one's head. The brick wall is not knocked over; the only thing that suffers is the head. This is what the federal government is trying to do in this case.

The minister has indicated that his officials will consult with the provinces, but I should like to know what sort of mechanism there is for this. We have the minister's word that there will be consultation, but if this minister is moved to some other portfolio, some other minister in the future may say that he could not care less about consultation, that there does not have to be any consultation with the provinces. Perhaps some form letter is to be sent out to a provincial authority, to some as yet undefined ministry. The minister has not indicated with whom or with what department of the provincial government there will be consultation. Is it to be a secretary-treasurer, a minister of mines and minerals, or will it be through a minister of intergovernmental affairs? We have no indication with whom the consultations will take place. If the minister will forgive my saying so, I think he is doing some wishful thinking in this regard. He is really grasping at straws. Why is it necessary that there should be this consultation? Unless the minister has indicated something that is not factual, the registrar's bureau of which he speaks, and which the deputy minister indicated would be manned by about 28 people, does not contain one-tenth of the people with the expertise required to deal with the problems that exist in the provinces.

• (1510)

I have taken pains to point out my grave doubts as to whether the government of Canada has the constitutional right to deal with a company or a business interest, and this could be an individual, that is in the hands of a provincially incorporated company or a foreign company registered under the foreign companies provisions of the provincial act under which the business is conducted entirely within the province in question. The same holds true in respect of a business organization which may be a partnership and is taken over by foreign interest. There is no way that can be touched.

If this measure were the result of a substantial degree of agreement with the provinces beforehand, then I think one could say that the worrisome problems of takeovers might be dealt with in an efficacious manner. I share with the minister his concern about takeovers which are the result of a U.S. conglomerate acquiring the assets, or a portion of them, of any corporation which involves Canadian companies. I have been concerned about this for years, and long before this minister came into the House. I have been concerned about estate taxes and the fire sales of Canadian businesses to interests abroad,

because we have forced these businesses to be the sacrificial lambs of some governmental greed for revenue. One might have been able to rationalize this problem in respect of succession duties with the provinces. We know that the province of Alberta has said it will not impose succession duties in order to have an advantage over other provinces. British Columbia has moved in that direction and Quebec has said it is hopeful it can move that way. The same is true of Ontario.

What a mish-mash; what a jungle, and just after a commission has considered the problem of taxation for years and recommended that there be some rationalization of our taxation system this government makes changes in the estate and income tax provisions. It has been like a kid with a big spanner let loose on some delicate machinery. It tinkers here and smashes there, but the net result is bad. Now, we can see the fruits of the government's lack of consultation and its unilateral action. I know the temptation is great to move into this provincial field. Provincial governments are elected by the same people who elect the representatives in this House, and to whom this government is responsible. One would think this government was responsible to itself only and did not have to answer to the Canadian people. This government seems to think it can fly in the face of provincial governments which represent the same citizens.

As I said on a previous occasion, does this government think that provincial representatives are from outer Slobovia? This government seems to act that way, but I suggest to the minister he will have to indicate how he can act with expertise, without consultation, in dealing with the disposition of oil lands, leases and interests in the production of oil and gas. Where does the minister expect to find the expertise to deal with the disposition of timber interests in British Columbia or in Ontario? How does he intend to deal with potash in Saskatchewan? These are matters in respect of which there will be very serious questions asked, and I am not satisfied that the proper answers are forthcoming. The Atlantic provinces' interests are entirely different from those in the province of Alberta. We have heard the representations from those provinces loud and clear, yet I suggest these matters will be resolved by some economic Czar here in Ottawa. I make that suggestion because a provision has been included that a transaction will have to be of significant benefit to Canada. Who will make that decision except the minister? He will make a recommendation to his Cabinet colleagues who will pass an order in council in respect of these transactions.

I have not spoken yet about the administrative side of the fantastic bottleneck this legislation may create. We are not dealing with some 150 actual takeovers, we are dealing with hundreds and hundreds of transactions. If that is not so then the minister's advisers have been hiding their heads in the sand, or are lost on a cloud in cuckoo land. This measure will involve hundreds of transactions; as a matter of fact, even thousands. Some may argue that the transactions may be rebuttable, but that means the individual firm must undertake the burden of proof. There is always uncertainty, but I should have thought the government would accept the amendment from the committee in my name which was suggested by a number of public real estate companies in Canada. The burden should not be upon those conducting the transaction to show there is significant benefit to Canada, the burden should be on the government to show there is a significant negative effect rather than a benefit. Why should the people have to prove this to the government? Why is the onus on the individual?

[Mr. Lambert (Edmonton West).]

• (1520)

The philosophy of this administration militates against the individual and benefits the God-Almighty state. We are mere numbers. We are now regimented more and more. The burden of proof shall be on those in business who are carrying out these transactions. It will be up to them to prove that the transaction is of significant benefit to Canada. Even in the case of a neutral transaction, an exchange of portfolio investments, the burden of proof is still there and is mandatory. Who among the advisers shall be qualified to advise the minister? Is this another area in which special representations will have to be made? If Bill C-259, shall we say, created a lifetime pension scheme for tax lawyers and tax accountants, this bill will be manna from Heaven for corporation lawyers as they beat their way to Ottawa on so many transactions which may be the subject of careful scrutiny and study by the Minister.

Then, what about the, shall we say, indefinite pressure which could be brought to bear concerning this or that transaction and whether or not it is of significant benefit to Canada. Such a judgment would depend upon who saw whom or who had what for breakfast. The decision would come down in that way. In my estimation, the burden must be on the Crown if it is to administer the legislation this way. The burden should be on the Crown to prove the disadvantage of the transaction and to negative the transaction.

I see you are becoming anxious about my time, Mr. Speaker. I wish to finish by saying the amendment put forward by my colleague from Fundy-Royal points out one of the fundamental difficulties in respect of this bill which has not been resolved. If this provision is not incorporated in the bill, more and more trouble will be created with the provinces and goodness gracious, I say on behalf of the Canadian people that there has been enough trouble between the provincial and federal governments involving well meaning but bull-headed people.

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I wonder if I should in the first place thank the hon. member for Edmonton West (Mr. Lambert) for some of his comments on the importance of Bill C-201. So many people have stated that the bill was a pip-squeak or nothing, etc., that it is good to hear an hon. member acknowledge the importance of the concepts involved and admit that the application of that bill will be quite difficult. I am one of those who have said so on many occasions since the beginning of the debate. In fact, the consideration of takeovers from an administrative point of view would be so complex, that if the government had wanted to go any further, it would have been reluctant to do so, due to the tremendous administrative task involved. I therefore thank the hon. member for Edmonton West for having used this argument in my stead,

because I tried to do it several times without much success, I confess. However I am not going to go as far as the hon. member for Edmonton West concerning the debate on the constitutionality of Bill C-201 nor concerning the point he raised as to whether the way of taxation would not be better to defend the Canadian interests than that of the examination of takeovers. I do not agree with him either concerning his request to get the opinion of the provinces. As I said in committee, provincial politicians have excellent channels of communication with the people and when they want to say to the federal government where to go or what they think of certain federal initiatives, they usually find a way to do it without our having to show them the proper way. So, if some provinces have not said in public all that they have told the Minister of National Revenue (Mr. Gray), it is because they did not want to reveal their attitude. What they have said in public was what they wanted the people to know regarding their position.

Nor do I follow the hon. member for Waterloo (Mr. Saltsman) in his analysis of Canadian federalism as regards foreign investment. I shall only keep to the two amendments now before us, and to remind hon. members about them, I shall read them. The amendment of the hon. member for Fundy-Royal (Mr. Fairweather) aims at changing clause 2(2) concerning factors to be considered in rulings on the approval of takeovers. The hon. member for Fundy-Royal suggests the following addition and I quote:

• (1530)

after consultation by the Minister with each province that is likely to be significantly affected . . . the effect of the acquisition on the industrial and economic policies of each such province.

In other words, should we accept such an amendment, the federal government would have in each case of takeover to consider the effect of that acquisition on the economic and industrial policies of each province "significantly affected" by the said takeover.

Amendment No. 18 which we are also considering provides that the minister, in conducting a review of a takeover, and I quote:

—shall consult with the appointed representative of the province or provinces concerned with the proposed acquisition.

These two amendments are joined for discussion.

In committee, Mr. Speaker, I tried to indicate the reason why it was impossible for the federal government to commit itself to formal, compulsory consultation because this would be giving in a significant way to the province or provinces concerned an explicit or implicit right of veto over a takeover.

I indicated however that the government was committed to a maximum of consultations, of informal consultations having to do specifically with a particular takeover, and also general consultations having to do with takeovers as a whole with respect to policy.

In committee, we also adopted an amendment that has become sub-clause (2) of clause 13, if I remember well, which does away with the obligation that the minister had previously of securing the consent of the parties concerned in a takeover before consulting the provinces.

Because of representations made by some provinces and of opinions expressed by some members of the committee, the matter was put aside.

The bill in its present form empowers the Minister of Industry, Trade and Commerce to consult with the provinces in future cases of takeovers. However, subsection (2) of clause 13 does indicate the following:

on such terms and conditions and under such circumstances as are approved by the Minister.

In other words, the Minister is free to consult with the provinces or not, according to circumstances.

The amendment proposed by the hon. member for Fundy-Royal—again it must be re-read if it has not been done already—is not very accurate on certain points which I wish to emphasize to some extent. Unfortunately, he did not do so himself when he moved it. I am very sorry he did not have the time to do it. That was on June 26. He did not tell us then whether or not the consultation with the province or provinces concerned would be compulsory. He did not say anything about that, at least not according to his remarks. If the hon. member for Edmonton West thinks that the hon. member for Fundy-Royal made himself clearer than I think, than I claim he did, then he should point it out to me.

According to this amendment, we do not know whether the consultation will be compulsory or not. Does the hon. member know?

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I do not know exactly what my colleague would say, but it seems to me the expression "after consultation" presupposes that there has been consultation. There must have been some consultation.

Mr. Pepin: Consultation would be compulsory, then.

Mr. Lambert (Edmonton West): It would seem so.

Mr. Pepin: I would also think so, but I would not dare pass judgment without knowing exactly what the hon. member for Fundy-Royal had in mind.

The question that follows is this: does the province or do the provinces affected, to use the words of the amendment, have the implicit or explicit right to veto the decision of the federal government?

Mr. Lambert (Edmonton West): The answer is no.

Mr. Pepin: The answer is no. Very well. In that case the consultation is simply informal.

Mr. Lambert (Edmonton West): The consultation is compulsory.

Mr. Pepin: Then, consultation is mandatory.

Mr. Lambert (Edmonton West): Yes.

Mr. Pepin: I only say that there might be some circumstances where such consultation could well be impossible or even undesirable. Briefly, this is what I mean:

In certain cases, the takeover might very well be unimportant whereas in others, it would be such an obvious bad move that it would therefore not be necessary to

consult with the provinces concerned before refusing it. In other cases—which also could very well arise—time might be lacking. Urgent cases might very well come up which would not allow us to enter into formal consultations with all the provinces concerned.

That is all; I am speaking in all sincerity and frankness.

Mr. Lambert (Edmonton West): And the provinces?

Mr. Pepin: It means those that are involved in that takeover, of course.

Mr. Lambert (Edmonton West): The provinces?

Mr. Pepin: Of course. But they are not necessarily parties to that takeover. They can very well be interested in those takeovers. But I am trying to sum up the debate now, so that I will not have to repeat it.

I would also like to know how, according to the amendment moved by the hon. member for Fundy-Royal, it will be possible to determine the provinces—

[*English*]

"—likely to be significantly affected"

[*Translation*]

Mr. Lambert (Edmonton West): Which states quite clearly what is going to be determined—

[*English*]

"significant benefit to Canada"

[*Translation*]

Mr. Pepin: But I mean that in many cases, a province may quite well claim to be—

[*English*]

"significantly affected"

[*Translation*]

—even if its interest is rather marginal. Then a conflict may exist.

What is even more important is that situations may arise where the interest of a province or of a group of provinces will obviously be poles apart from that of another province or group of provinces. Then the mendatory formal consultation process might very well amount to a federal-provincial conference without a very clear decision being reached at the end of the debate.

Anyway, I wanted these arguments to be on record. I also wished to point out the dangers of this formal consultation as implied, a few moments ago, by the hon. member, that is to determine when a consultation is valid and when it is not. To force the central government to consult with the provinces or vice versa amounts to virtually including as a prerquisite for a marriage contract that love should exist. All this is somewhat redundant.

At all events, I wanted to prove that if this consultation were mandatory, it might create real problems.

As for the second part of the amendment moved by the hon. member for Fundy-Royal, it reads as follows:

—the effect of the acquisition on the industrial and economic policies of each such province.

[Mr. Pepin.]

This wording—if I may be a bit harsh—is defective since the problem is not to know, what might be the effect of this acquisition on the industrial and economic policy of the province, but whether this acquisition is compatible with the industrial and economic policy of the province or provinces involved.

I simply point this out to show that the wording of this amendment is somewhat defective, at least in my opinion.

Mr. Lambert (Edmonton West): Yes.

Mr. Pepin: I hesitate because I thought the hon. member for Edmonton-West, who is very keen on such shades of meaning, would be pleased and would appreciate and admire others when they seek to follow his good example.

Mr. Speaker, in any event, even there, there are some hazards. Why? Because the wording of the amendment of the hon. member for Fundy-Royal would require the federal government to implement those provincial industrial and economic policies with regard to certain takeovers. Therefore, one could very well say: You have a very poor knowledge of our policies! Why don't you mind your own business?

• (1540)

Mr. Lambert (Edmonton West): What are you going to do now?

Mr. Pepin: Mr. Speaker, all this shows that the problem is much more complex than would appear at first sight. My remarks were intended to show that considerable difficulties do exist.

However, I do not see, quite frankly, how we could ignore economic and industrial policies in the provinces affected by a takeover, especially in the very province where it happens. And this simply because the purchaser, the one who takes control, first of all will have clearly to understand and afterwards take into account the provincial policies in the industrial and economic fields.

The problem in such acquisitions of control is not one of impact on the economic policy, but rather of consistency between the takeover and the economic and industrial policies in the province or the provinces involved.

Mr. Speaker, all I want to say concerning compatibility is that those responsible for administering Bill C-201 will necessarily have to take it into consideration, "compatibility" and "taking into consideration" being the two key words.

Mr. Speaker, I think that one could very well assume that. One can also say so. I have handed to my two hon. friends copy of a possible amendment. If they are interested and wish to support it, I am ready to introduce it, by unanimous consent of the House. As a sixth factor or, still better, as a complement to the fifth factor, that is compatibility of the acquisition with the industrial and economic policy of the federal government, one could add the following:

(e) the compatibility of the acquisition with national industrial and economic policies, taking into consideration industrial and economic policies of any province likely to be significantly affected by the acquisition.

There it is. If my hon. friends are in favour of this amendment, I am ready to move it since it represents the situation which will in fact exist when the bill C-201 becomes law.

Mr. Speaker, the hon. member for Edmonton West asked who will administer the Act? He is also concerned as to whether we will have enough expertise to overcome the complexity of situations that will have to be faced. I think the answer is yes. There are in the department people who are competent enough, I would even say quite competent, and of course, we will call upon all the other departments. The consultation process will also give us access to the provincial expertise and if we should need more than that, we will call upon the hon. member for Edmonton West to enlighten us on some particularly difficult aspects of this legislation. Of course, I am saying this with a smile, Mr. Speaker. The department and the minister are aware that the legislation will be difficult to administer and they will use "all the government's lights" and even those of private enterprise in order to clarify the many mysteries to which the hon. member for Edmonton West referred.

The hon. member for Edmonton West was also wondering with whom we would consult at the provincial level, when the need for consultation arises.

In my opinion, the answer is very simple. It will be up to a province to decide which one of its ministers will deal with the federal minister and his officials. I think it is customary for provincial premiers to write to the Prime Minister, as it happens frequently enough, as follows: My Minister of Federal and Provincial Affairs will consult with the responsible federal minister, or conversely, the Prime Minister of Canada indicates which of his ministers will participate in some federal-provincial negotiations. I do not expect difficulties to arise but, as a matter of principle, such talks should be held between the Ministers of Industry, Trade and Commerce on both the federal and provincial levels, except when a province objects to it and prefers to deal through its Minister of Federal and Provincial Affairs which is a department already existing in some provinces.

Mr. Speaker, I have attempted to show why the federal government could not commit itself to compulsory consultation through an understood or expressed right of veto. However, I have tried to indicate that informal consultations on takeovers, as well as generally on the whole of economic problems, are a foremost concern for the federal Minister of Industry, Trade and Commerce. I have proposed an amendment which could make matters a little more formal if hon. members so desire.

[*English*]

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, the minister has made a suggestion on how some of the objectives contained in the two amendments before us could be achieved. In a moment I will give what I believe will be the answer to the Official Opposition to his suggestion, but first I wish to emphasize that the hon. member for Fundy-Royal (Mr. Fairweather) was on the right track when he suggested, in his amendment, the setting up of a process of consultation.

These days all provinces have a pretty heavy stake in industrial development. I know that the provinces in Atlantic Canada certainly do. We are all hungry for capital, for business, for the creation of jobs, and we set no national or parochial limits on where we may go to obtain the necessary funds. So, it is a matter of serious consequence to us whether any of the help that is given to industries which may come to our provinces will clash with some national policy administered by a government that may or may not be friendly to the interests of our regions.

The hon. member for Fundy-Royal and the hon. member for Waterloo (Mr. Saltsman) have made valid points in the suggestions they put forward. The question really boils down to whether there should or should not be consultation when the minister and his department administer this legislation. While he has rejected the process of consultation, the minister at least has shown some spirit of co-operation in his proposed amendment. Perhaps I should read the English version because when it was read in French by the minister the interpretation did not come through quite as we envisaged it. The English version would be to strike out lines 25 to 27 on page 2 and substitute the following:

(e) the compatability of the acquisition with national industrial and economic policies, taking into consideration industrial and economic policies of any province likely to be significantly affected by the acquisition.

At least there would be a direction to the minister and his officials. If they exercised this function in a mean way rather than a generous way, or in a way that was not within the spirit of the proper operation of the legislation, they could be held to some kind of account, either in Parliament or in a parliamentary committee, and eventually the country would judge them for being cavalier or contemptuous with respect to the position of any province. This amendment provides a bridge toward the position staked out by the hon. member for Fundy-Royal and the hon. member for Waterloo. It does not go all the way. But around here, no matter how hard we grumble, we are conditioned to accepting the proferred half-loaf, and so on behalf of myself and my colleagues I say that we would be prepared to see the withdrawal of the two other amendments and acceptance of the one suggested by the minister.

Mr. John Burton (Regina East): Mr. Speaker, I think it is useful that the hon. member for Fundy-Royal (Mr. Fairweather) and the hon. member for Waterloo (Mr. Saltsman) presented their motions for our consideration. The government's record in dealing with the provinces on the question of foreign ownership has been most inadequate. I want to make it clear that I disagree very strongly with the stance taken by some provincial governments on this matter. As the minister knows, some provinces have protested that the legislation now before us is inadequate, while other provinces do not want to do anything that would scare off foreign capital. Indeed, I am sure that some provinces would prefer to take a more reasonable stance within the framework of developing a better Canada. The fact that they feel forced into taking such a stance reflects the bankruptcy of the federal government's policy when dealing with such things as establish-

ing an adequate Canada Development Corporation, an adequate regional development policy and in terms of developing alternate sources of capital for investment purposes in Canada.

• (1550)

Dealing with the amendments now before us, I agree with the contention which has already been made that we cannot simply ignore the role of the provinces in developing a national policy for a sound and strong Canadian economy controlled by Canadians. If we are to achieve this, we must take the interests of the provinces into account and this means regional interests. We must also take into account the powers that the provinces hold in a number of fields, the concerns that they have and the stresses and strains that are imposed upon them.

When the government announced its policy last May, after a long gestation period, there was no mention of the role of the provinces or how they would be involved with the federal government in carrying forward this policy. The position was the same when the legislation was introduced, and even when it came forward for second reading, but the Prime Minister (Mr. Trudeau) said that after all the provinces could introduce their own legislation. Mr. Speaker, how can a province introduce adequate legislation to cover the problems that we must be concerned with in the field of foreign ownership and foreign control, including takeovers, unless it has some sort of framework within which to establish that legislation? The Prime Minister's statement, which he made on several occasions, is meaningless unless we have federal initiatives in this field. We have heard nothing about a joint federal provincial conference to study takeovers or the broader framework that we have here, and nothing about an effort to orchestrate a policy across Canada. I acknowledge the difficulties of producing a consistent and coherent policy across Canada.

Finally, it would appear that the government felt it had to respond to some of the pressures placed upon it or upon the Minister of National Revenue (Mr. Gray). He was sent on a mission across Canada to consult with the provinces about a month and a half after the legislation was introduced. He was to explain it to the provinces to try to clear up some of their concerns. When the Finance Committee was considering this bill, it was suggested that the Minister of National Revenue might be called so that the committee could learn what he found out in his consultations with the provinces. The government members of that committee did everything they could to prevent this but nevertheless, on June 19, the minister appeared and presented an interesting rationalization of the limited action being taken by the government. This must have been difficult when one considers the total study for which he was responsible. However, he made a brief opening statement to the committee urging support for the bill, but made not a single reference to the fact he had been holding consultations with provincial governments about it. Of course, it did not take committee members long to put questions to the minister about these consultations. His reply was that his discussions with his provincial counterparts and provincial premiers were on a government to government basis and therefore considered to be confidential. This is ridiculous, Mr. Speaker.

[Mr. Burton.]

The minister later stated that at no time had it been indicated to him that he was expected to say anything about his trip across Canada to consult with the provinces. He said that he had received an oral communication from the chairman of the committee asking him to appear, but there was no formal request to talk about any particular aspect of the bill. This is pretty far fetched when it was obvious that it had been made clear in committee why we wanted the minister to attend. I suggest that the minister's attitude is hurting federal-provincial relations which are difficult enough. The minister indicated that he would be consulting with the provinces whenever possible, but he did not want to be tied to an obligation to consult with them.

I was very interested in the proposed amendment which was placed before the House by the minister a few minutes ago. I believe I can say on behalf of my colleagues that this is an improvement in the particular clause to which it refers. When assessing a proposed acquisition, in addition to taking into account the compatibility with national and industrial economic policy, this amendment requires the minister to take into consideration the industrial and economic policies of provinces likely to be significantly affected by the acquisition. I think we recognize, in this way, some of the regional characteristics of Canada and some of the regional considerations which the minister, quite legitimately, must take into account. I must say in all honesty that this amendment will not make a fundamental difference to the legislation before us and will not result in any basic change in our stand on the legislation. This, still, will be a most inadequate piece of legislation. It will still be totally inadequate although, in terms of defining the types of factors the minister has in mind, and I am referring to one of five points, the minister has made an improvement in that particular wording.

• (1600)

I prefer the wording the minister proposed to the wording proposed by the hon. member for Fundy-Royal (Mr. Fairweather) in Motion No. 4, as originally placed on the order paper. Although we might be sympathetic towards the amendment that was proposed by the hon. member for Fundy-Royal, that particular wording tended to place some degree of paramountcy on the views of the province of provinces concerned instead of taking national factors into account and giving them paramountcy. Really, I prefer the minister's wording to that originally proposed by the hon. member for Fundy-Royal.

May I raise another point? By proposing this amendment, the minister has committed himself to consultation with the provinces. I do not see how he can say, in future, that he has taken into consideration the industrial and economic policies of any province affected by a proposed acquisition unless he has carried on a process of consultation with that province. Actually, I suggest that he has committed himself to that course of action. If that is so, I put it to the minister that, although there may be some technical considerations involving the amendment moved by my colleague, the hon. member for Waterloo (Mr. Saltsman) which have not yet been taken into account, why could he not remove any doubts about the matter by accepting our motion No. 18. Perhaps, if the minister has

some improved wording in mind and wants to make some changes, why could he not do that? Why can he not accept the principle embodied in motion no. 18 and include it in the legislation?

The principle of the amendment is that the minister will consult the provinces when he is carrying out any sort of meaningful review of a proposed acquisition. Why could the minister not accept this principle instead of rejecting it out of hand? I suggest it would be an improvement. I want to co-operate with the minister. I always want to help him, as he knows. I suggest it would be helpful to the legislation the minister is interested in if he were to accept motion no. 18, or the principle of it, because that acceptance would remove one of the emotional roadblocks that may be encountered from time to time in connection with the administration of this legislation.

Then, there is something to be said for the amendment the minister has proposed. In dealing with this entire question, it is vitally important for us to give adequate consideration to the role that is to be played by the provinces. We must consider the concerns, interests and powers of the provinces in dealing with the economy of our country. Neither the federal government alone nor the provincial governments by themselves can find adequate solutions for our national economic difficulties. More and more we shall need joint federal and provincial planning for our economy. The efforts of the provinces and of the federal government will need to be orchestrated, so to speak, with the federal government playing, quite rightly, the central role. Often the federal authority must play the role of initiator. If the federal government is to take account of the concerns and aspirations of the entire country it must, in any action, take into account the legitimate regional concerns of the various parts of Canada. With that in mind I hope the minister will, in addition to responding as he has to the motion that is now being considered, respond favourably to the other amendment proposed by my colleague for Waterloo.

Hon. Hugh John Flemming (Carleton-Charlotte): Mr. Speaker, I wish to make some observations in connection with the motions presently before the House. I think every member of this House must pay a great deal of attention to the provisions embodied in Bill C-201, since it affects the interaction between the federal authority and the various provincial governments in a most important area. So, in making some observations relative to these proposed amendments I am conscious that there are many avenues of consideration in connection with this subject matter which affects the unity of Canada. We must keep in mind that we live in a large country. The distance from sea to sea is in the neighbourhood of 4,000 miles. I do not know how far it is from the forty-ninth parallel to the Arctic Circle; certainly, it is a great distance. In a country with an area of nearly 3.5 million square miles, with various regions which produce such varieties of goods, products of the soil, products of the sea and products of the forest, it is most difficult to produce legislation that can be uniformly applied.

The present minister, or any other minister, must administer such legislation in the general public interest and bear in mind, at the same time, that there is great variation between the different parts of Canada. Since Canada is such a vast country, we must show a great deal of sympathy for the minister. The minister in turn, I am sure, listens sympathetically when we bring before him the various views held by the various regions of the country from which we come and for which we are responsible. It is difficult to enact a statute which will have uniform application across the country. I acknowledge that. It is difficult for the interests of all to be considered. In the final analysis, any decision of this sort must combine, in fairness, the interests of the regions with the national interest. When you try to combine the interests of all the regions of this country, you are apt to run into difficulties. That is what we are discussing in this House at present.

The hon. member for Edmonton West (Mr. Lambert) suggested, and I agree with him to a great extent, that the government is trying to make slaves of people for the benefit of a collective body known as the government. It is saying to the people concerned, "You must prove, to the satisfaction of a group we will select, that what you contemplate doing is definitely in the public interest." The hon. member for Edmonton West suggests that the people concerned ought to say to the government, "This is what we propose to do," and it is up to the government to show that the takeover is not desirable. I think I have interpreted correctly the remarks of the hon. member for Edmonton West. That, substantially, is his proposal, and that was his criticism. He argued that the individual should not be required to prove his case, but that the government should show beyond a reasonable doubt that the proposed takeover is detrimental to the general public interest.

• (1610)

The minister is arguing with a certain amount of conviction that the federal government cannot possibly commit itself to a policy of this sort, a policy which allows anything approaching veto power to anyone. I am not arguing strongly that this is a wrong opinion. I have always been impressed by the general idea that you make a great country if you create within that country an atmosphere of opportunity so that an individual may be able to use the talents he possesses for the benefit of the whole body, the whole system, the whole country. If you set up an atmosphere in which an individual can do things for himself and make a contribution to the country—and I see many such people within the range of my voice—then I consider that the whole collective body will benefit, because those same individuals, working for themselves and doing things for themselves, will, of necessity, contribute to the good of the country as a whole.

The minister said this afternoon informally, that he agrees with the very thing which the amendment put forward by my hon. friend from Fundy-Royal proposes, though he had certain reservations reflecting his own opinion and taking into account administrative considerations. He agrees there was an informal understanding in the committee along the very lines of this amendment. He might well consider a move which would put into appropriate language the informal understanding which was concluded. Since the minister has already agreed to do so, I suppose those words taken from notes I had prepared, will do no particular good at this point. On the other hand, they will do no particular harm either. This is exactly

what he has done, and he has done it without any consultation with me, I will tell you, Mr. Speaker. This only serves to prove that great minds run in the same channel.

Some hon. Members: Hear, hear!

Mr. Flemming: My opinion of the effect of this legislation on my native province is well known. I am afraid it will establish a barrier against the in-flow of capital into my province. I have expressed this view in committee and I have expressed it privately to the minister. In our part of the world we need such an in-flow of capital. New Brunswick is neighbour to the State of Maine and the New England States of the United States. They buy our goods, our livestock, our forest products, our products of the sea, things which are surplus to our own requirements. The New England states are closer to us than the markets of central Canada. I am not going to argue about what took place 105 years ago. No one knows what would have happened had those two provinces in the centre not united with the two important ones in the east to make up Canada. But we started a course of sending our goods east and west rather than north and south. In a way, perhaps, we were working against geography and the trade pattern which existed at that time, because my native province was trading very freely with the United States during that period. The province was very prosperous as, indeed, were all the Atlantic provinces.

The point to which I should like to draw the minister's attention is this. I understand the difficulties which are bound to arise in the course of the administration of this bill. I believe I am conscious of the minister's determination, and I have no reason to say I am not conscious of the government's determination, and I have no reason to say I am not conscious of the government's determination, to do some screening for the benefit of the country at large. In the event that certain propositions are likely to be definitely detrimental to Canada's interest, I would be the last person to say that action should not be taken. At the same time, I trust the minister is concerned to assure that takeovers whose effect would be desirable are not prevented simply because someone may say that such and such a company or corporation would then be owned by an outside interest. I do not intend to go into that subject, either, this afternoon. I would merely point out that the bill emphasizes the word "control" rather than "ownership". I have always believed that the really important aspect is management, the manner in which management performs relative to the community in which the business is located and to the country of which it is a part.

It is only a few weeks ago that I stood in this House and told the story of the success of an enterprise in my province which grew from a very modest beginning with the help of the government of which I was a member. Its bonds were guaranteed by that government. Today it has plants in England and in Australia; it has grown to be a tremendous international food processing company. I refer to McCain's Foods. The assistance which the government gave to that company to enable it to expand has been well justified because it has contributed to the development of the part of New Brunswick in which its major operations are centred. No unemployment problem arises there; men and women know they can always get a job at McCains. There are 1,600 people working in the province and another 3,000 on the payrolls in connection with various activities which are not confined to Canada. Some of these activities are in Australia, others in Britain, but there has been a continual story of progress and success.

• (1620)

I pointed out to the House that this company produced to the government figures showing the amount of French fried potatoes being imported into Canada. It then told the government they could be manufactured in Canada and there was a market for them. As a result, we guaranteed their bonds and it never cost them a cent. My point is that had it not been for the great market to the south of this country, this company would never have existed.

I am not one who is fearful about who owns a business; what I am concerned about is who manages the business, that the business obeys the laws of the country, that it pays the prevailing wage rates, and that it contributes to the community. As for the matter of ownership, it seems to me that only in the most drastic situation should you interfere with the flow of capital coming into this country. I am not arguing that it should not be interfered with, but from the point of view of the national interest it would be well carefully to examine the situation. This is what the minister says his staff is going to do. The hon. member for Halifax-East Hants (Mr. McCleave), speaking on behalf of our party, has accepted the minister's suggestion concerning an acceptable amendment and I do not propose to differ. Naturally, I also accept the suggestion. The fact that the minister understands the views of opposition parties and is prepared to recognize those views should gratify All members of the House since it indicates that at least one occupant of the front benches is prepared to listen to us, that our words are not falling on deaf ears. Some members of this House do not speak very often because they feel that no one pays any attention to them. Today, there has been a change in the situation; the minister is paying attention and is going to accept an amendment, and to me this is very stimulating.

At the disposal of the minister are the collective views, knowledge and experience of all 264 members of this House. As I say, he has recognized those qualities and is going to accept an amendment. I have had enough experience to know how difficult it is for ministers of the Crown to accept amendments put forward by the opposition, since the government seems to think that the opposition are going to crow about it until they are blue in the face. In this particular case, I am glad the minister has been big enough to take note of the representations that have been made. I am convinced they will be of benefit to the country, and I hope they will make his duties of administration a little less difficult.

Before concluding, Mr. Speaker, I may say I sincerely believe in consultation. I started out by saying that it was difficult to pass statutes of uniform application that are still fair. According to the minister there are going to be informal consultations, and the provinces will be consulted. Their views will be considered and so will certain other matters that affect them as well as the central government. In view of that, it seems to me we might hope that Bill C-201 will be of benefit to this great country of Canada. I see you are about to stop me, Mr. Speaker, so I

will conclude by saying that I appreciate the interest the House has shown in what I have had to say.

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

Mr. Lambert (Edmonton West): A point of order, Mr. Speaker. As I indicated at the beginning of my remarks, my colleague from Fundy-Royal (Mr. Fairweather) is necessarily away this afternoon but we received word that he will be back here during the supper hour. Rather than moving that the House agree to a withdrawal of his motion, since we are agreed on the minister's proposal, I wonder whether we might defer the motion so that the hon. member can withdraw it. I think he will agree to do this, but I would not want to do it on his behalf. We do not want to dispose of his motion at the present time if he is going to withdraw it. I am merely asking that we defer the matter until his return at eight o'clock, when I think it will be very satisfactorily resolved and we can then take action on the minister's amendment.

Mr. Saltsman: On the same point of order, Mr. Speaker, I agree that the hon. member who moved the amendment on behalf of the Conservative party should have the opportunity of withdrawing it if he so chooses. Since my amendment is grouped with his, I should like to indicate that I am quite prepared to withdraw my amendment in favour of the one proposed by the minister. I think his proposition is a reasonable one as far as the bill goes and I would be quite prepared to have mine deferred as well.

The Acting Speaker (Mr. Boulanger): Do I correctly understand that the House is agreeable to letting motions Nos. 4 and 18 stand until eight o'clock tonight?

Mr. Lambert (Edmonton West): Mr. Speaker, I suggest we adjourn debate on this particular motion till the hon. member is here and can withdraw his own amendment. It is only for that purpose that we defer it, not for the purpose of further debating it.

The Acting Speaker (Mr. Boulanger): Perhaps I did not use the proper wording but may I say that we shall suspend the consideration of motions Nos. 4 and 18 until eight o'clock. I think that is roughly what I said previously. Is that agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Boulanger): Then we can move on to the next group of amendments, motions Nos. 5 to 9 inclusive.

Mr. Lambert (Edmonton West): On a point of order, Mr. Speaker, may I respectfully suggest to Your Honour, in view of the fact that motion No. 5 moved by the hon. member for Oshawa-Whitby (Mr. Broadbent) has a thrust in one direction whereas motions nos 6 to 9 have a thrust in another direction, though they do have some superficial resemblance to each other to group them together for debate, that we debate motion No. 5 separate and apart from motions Nos. 6 to 9 inclusive, and that they be voted on accordingly. I did not raise this point when Mr. Speaker made his suggestions the other day with regard to grouping, but I do make that respectful submission to Your Honour at this time.

Mr. Knowles (Winnipeg North Centre): With respect to the same point of order, Mr. Speaker, I should like to support what has been requested by the hon. member for Edmonton West. It seems to me it is a bit unfair, particularly to our friends in the official opposition, that their motions Nos. 6 to 9, should be more or less attached to our motion. Although we think they are wrong, surely they have the right to press their point of view on a level equal to the level given to us. I therefore think it a good idea that No. 5 should stand by itself for the purpose of both debating and voting and that Nos. 6, 7, 8 and 9 should stand together for both debating and voting.

• (1630)

Mr. Broadbent: Mr. Speaker, I should only like to add a few words to what has been said. It is not in respect of my friends literally and liberally to my right that a distinction should be made, but also in respect of my colleagues in this party who would not want any confusion to occur as a result of the suggestion that in substance our motions are essentially related.

Mr. Pepin: Mr. Speaker, knowing full well that my bill can pass only if the opposition agrees with it I will let them debate the matter. If we take them separately, that is motion No. 5 and then motions Nos. 6, 7, 8 and 9, the only thing I am losing is an argument.

The Acting Speaker (Mr. Boulanger): I will have to ask for the unanimous consent of the House to debate motion No. 5 separately.

Some hon. Members: Agreed.

Mr. Edward Broadbent (Oshawa-Whitby) moved:

That Bill C-201, An Act to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons, be amended by deleting therefrom in paragraph (1) of subsection (2) of Clause 3 the figure "25 per cent" and substituting therefor the figure "5 per cent" and that paragraph (ii) of subsection (2) of Clause 3 be amended by deleting therefrom the figure "40 per cent" and substituting the figure "20 per cent".

He said: Mr. Speaker, I will be relatively brief in my remarks on this motion because the change was dealt with at some length in the committee. I am looking forward to the minister's explanation as to why he felt it necessary to change the bill from the form in which it was originally before being sent to the committee.

The thrust of my amendment would be in agreement with the essential recommendations of the government on this point. In other words, the percentages I proposed in this amendment are exactly those percentages which the government believed to be essential prior to all the advice it got from the business community in Canada. My point is that I believe, as do the members of my party, that a prima facie case for low level foreign ownership should be seen as the basis for concluding there is foreign control. We, therefore, do not subscribe to the view that we should support the change the government brought back to the House which would raise the level of foreign ownership substantially in percentage terms before the operative clauses of this bill are brought into effect. I will leave

the matter in that way until I hear what the minister says in justification of the changes he has made in the bill.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I will try to answer that point.

[*Translation*]

Mr. Speaker, all the hon. members know we are talking about control and presumptions. I am unaware that anyone until now objected to this procedure.

The question asked by my good friend the hon. member for Oshawa-Whitby (Mr. Broadbent) is this: Why this increase from 5 to 25 per cent in the presumption which exists in the case of the purchaser's eligibility in connection with public corporations, the shares of which are publicly traded, whereas the 5 per cent proportion is not increased for those same corporations when their shares belong to only one individual, government or corporation? It is only in the first instance that the presumption was increased from 5 to 25 per cent.

The reason for this is quite simple: it was done at the request of several witnesses. I remember Mr. Gordon, in particular, who said that presumption was so low that "it was a plain nonsense". Therefore, it is at the request of several witnesses and also certain committee members that we have taken this decision. There are two main reasons for it: the first one is of psychological nature. The corporations themselves which are Canadian-controlled and which involve a significant foreign capital participation, took exception to the fact that the presumption was 5 per cent only, while 10, 15, 20 per cent of their capital were in the hands of non eligible persons. These corporations' officials suggested that this was a reflection on their "Canadianity," if there is such a word. To accommodate this psychological reaction, we have decided, I repeat, to raise the presumption from 5 to 25 per cent.

I shall answer to these people, to these shareholders: If you are so proud of your Canadian identity, why do you not show it more often by refuting presumption? This argument does not seem to have convinced representatives from concerned enterprises.

The second reason for the change or the second impediment for Canadian controlled enterprises was the difficulty of proving their Canadian identity, wherever their shares were broadly distributed. Then, in order to please them, we have raised the presumption from 5 to 25 per cent. The only practical difference involved is that from now on, instead of having the burden of proof lying with the enterprise itself, whenever the presumption is between 5 and 25 per cent, the government will bear the burden of the proof.

That is why we have raised the presumption from 5 to 25 per cent in the case I referred to.

[*English*]

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, one of the more slaphappy aspects of the original bill submitted to the committee was precisely this point which has been corrected now. The mover of the motion wishes, however, to turn back the clock and adopt what was originally presented to us. There was strong objection to the government formula at that time, and those who took the objection managed to persuade the minister to see the light. It would be a shame if we went back to something which really would cause a great deal of commercial confusion and would not assist the measure. Very shortly, we are rejecting the suggestion now being presented to us.

Mr. John Burton (Regina East): Mr. Speaker, I find the remarks of the minister this afternoon in respect of the motion moved by the hon. member for Oshawa-Whitby (Mr. Broadbent) very interesting. The minister can really engage in some pretty piteous reasoning in trying to justify his case. He defies all attempts at understanding. He does an excellent job of losing himself in the woods. He gets so concerned with the trees he completely loses sight of the forest. I must confess it is somewhat difficult at times to follow him when he is dealing with some of these technical points. He seems to take delight in spinning a very complex web in attempting to develop what I am sure, on many occasions, he does not himself understand.

• (1640)

This motion, of course, involves some technical considerations but also some very fundamental considerations. I should like to ask the minister, first of all, why he chose 5 per cent as the threshold level of shares in relation to the assumption of control, as provided in the original bill. This, of course, applies to shares of companies which are publicly traded on the stock exchange. Does the minister suggest the department did not have a rationale for that 5 per cent figure and just pulled it out of a hat. Does he suggest that there was no basis for this figure and that it was just an arbitrary figure? Does the same thing apply in respect of the 20 per cent figure relating to public and private corporations where the shares are publicly traded? Was this simply an arbitrary figure which the minister or his officials found some place and one which was not arrived at after a decision? I say I really cannot accept such a view.

During another debate, the minister commented that he has very competent officials in his department. I do not doubt that for a second, but what is lacking is some sort of current policy to provide an adequate framework in which the officials can do the job I am sure they would like to be doing. Surely, the minister must have had some rationale for the figures of 5 per cent and 20 per cent when he inserted them in the original bill. He seems to have thrown these figures totally out the window at the present time. In doing so, he has come up with a much higher level of figures, 25 per cent and 40 per cent. This would seem to be a rather high level when dealing with this area of presumption as it is involved in this rather complex concept in this particular clause. When this level was torn down as a result of some of the representations made—and I want to say quite frankly that there were some legitimate concerns and problems raised in respect of these figures when this particular clause was under study by the committee—the minister simply shifted totally from the 5 per cent and 20 per cent figures up to the 25 per cent and 40 per cent figures.

The minister was attempting to assuage the feelings of the business community. After all, the minister has been in plenty of difficulty with this community in Canada. I am sure the fact that the business community apparently has been quite unhappy with this government, whether

justifiably or not, is a matter of great concern to the minister and the government. The minister indicated that one reason for making the change was that he simply wanted to satisfy the minds of those in the business community that they should not be worried about this legislation or any possible effect it might have on their dealings and transactions. I suggest that the minister has not come forward with a rationale for the change made in the bill at the committee stage. What he really has indicated is that he has submitted to political pressure from the Canadian Chamber of Commerce, the manufacturers association and the business interests in this country. That is the sole reason for making this particular change, because I suggest if the minister were to respond to some of the problems raised when the bill was under study in the committee he would have come forward with a much different type of amendment to the bill than that which has been brought forward.

Rather than simply making the total shift from 5 per cent and 20 per cent to 25 per cent and 40 per cent, the minister would have come up with a meaningful change to take into account some of the real problems which may exist, such as the problems in respect of affidavits and burden of proof. He would have come up with some other solution than the one he has in respect of this bill. It seems to me the minister is destroying any chance this legislation might have or might have had of having any impact on the Canadian economy. I believe the change that has been made in the bill should be rejected. If the minister cannot come up with any better solution than he has up to the present time, we should return to the old figures of 5 per cent and 20 per cent. If he can come up with some change which takes into account some of the problems which may exist or if he can demonstrate some thought has been given to the problems which might be involved, this might be acceptable. However, I suggest the explanation provided by the minister for the change which has been made as a concession to big industry, and which was adopted by the majority of the committee, is unacceptable. It demonstrates that the government is not prepared to come to grips with the problem of foreign ownership or foreign take-overs. It simply indicates a bankruptcy of government policy and the failure of the government to come forward with any sort of meaningful policy.

Mr. David Lewis (York South): Mr. Speaker, as you know and as the minister well knows, I do not think this bill is worth the paper it is written on so far as protecting Canada's interest in the economy and so far as regaining Canadian control of the economy is concerned. I am certain, if this bill becomes law, the minister will have some interesting discussions with some takeover enterprises and may arrive at some arrangements which he will think are advantageous, but which in the end will be a sell-out of some other part of Canada's economy. It is, therefore, with some reluctance that one rises to speak on any proposal for changing so innocuous and useless a piece of legislation as the minister is attempting to push through this House. However, I think it ought to be said that the explanation the minister gave for the changes in the proportions in this clause of the bill really raises the question of whether he is serious, because the problems he is trying to solve are not soluble at the level of 25 per cent and 40 per cent any more than they are at the level of 5 per cent and 20 per cent respectively. The problems will still arise at no matter what level. We find the proof of the situation in the fact that we still have the words, "the corporation is, unless the contrary is established a non-eligible person" which were used in respect of the 5 per cent and 20 per cent.

Under the original clause it would have been possible for certain trustees, or whatever, of some shares of a company to be able to come to the minister and say that such and such is the case and therefore the contrary is established, that they are not foreign controlled. That was as available in respect of the 5 per cent and 20 per cent originally set out as it is in respect of the 25 per cent and 40 per cent level because it was there in the original bill. In view of the fact that a solution is not visible at any level—and at whatever level there will always be some gray area—in view of the original objections made by the people concerned and in view of the possibility of establishing that the contrary is the case at whatever level one is talking about, it really is impossible to escape the conclusion that the only concession the minister was willing to make was the concession demanded by the Canadian Manufacturers Association, the Canadian Chamber of Commerce and the Bankers Association of Canada.

• (1650)

He was not prepared to make any concession in the bill that would strengthen the ability to do something about foreign ownership in this country. Oh, no, he would not go for that, no matter how reasonable the proposition might be, and add some factors that would give him some power. He did not want that because, as I have said on more than one occasion at various stages of the bill, this minister and the government do not intend to stop takeovers. That is not the purpose of the bill. The purpose of the bill is not to limit takeovers, it is to give the government the façade of having done something about foreign ownership when in fact it has done nothing. It is not an honest purpose because the minister is far too intelligent—and I say this because I have great regard for him as a person—and far too knowledgeable about the Canadian economy. He is far too aware of the facts of the situation to have even needed the Gray report to have made him aware of it, but with the assistance of the Gray report he cannot but know that the area with which this bill deals is a minor one in the problem of the Canadian ownership of the economy.

I want to put on the record that it seems to me significant that the minister did not need any amendment for the purpose of solving the problems with which he dealt in his reply a few minutes ago. The original bill had the loophole, but because the enterprises wanted a higher place so that more of them would get under that line, the minister gives in to them. I respectfully submit that that is merely another item in the proof, if another item is needed, that neither the minister nor the government are serious about protecting Canada's place in its economy. The sham which this bill is, is again underlined by the way in which the minister bowed graciously and smilingly to the demands of those forces in this country that have sold out Canada before and will, with his assistance, sell out Canada again.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, in this particular field I have always wondered where the blind spot exists. I know that in the economic field the Prime Minister (Mr. Trudeau) has made some very dubious statements, and the litany of those is long. But I must say, after listening to the short intervention of the hon. member for York South (Mr. Lewis), that I can accord him the palm of economic confusion.

Mr. Lewis: That proves that I am right. I need no further proof.

Mr. Lambert (Edmonton West): I can assure the hon. gentleman that what he has been advocating in the last two or three minutes clearly indicates that the badge of honour should go to the New Democratic Party because their philosophy merely entails more bureaucracy and more red tape not only with regard to the problem of takeovers but in the whole field of foreign ownership. I agree that this only touches a corner of foreign ownership, but that is not the problem at the present time under this bill. In so far as takeovers are concerned, let me point out to him, as if he did not know, that every time business, whether it is sole ownership, partnership or a corporation, has to make a move it costs money. Going to government, making returns to government, waiting for government to make a decision and sending representatives to Ottawa, costs money, and where does that cost go? It is on to the backs of the hon. member and the rest of the people who support him since they are Canadians.

I have never heard of another party in the last two years that in its programs has piled more cost upon cost upon any economic activity in this country, and yet it expects us to be competitive with the world where we sell 75 per cent of our production in the export market. Not only would we tie one another's hands behind our backs but we would put hobbles on our feet, if we listened to them. At every turn there is additional cost, and it has to be met, not only by those abroad but by the Canadian public. What is this for? It is to keep those people employed who would be put out of work if we became non-competitive. That is why I accord to the Leader of the NDP the badge of honour for economic misunderstanding in so far as Canada's position is concerned. Every suggestion that he makes is counter productive to the advancement of the Canadian economy and also a guarantee of employment to those people who he thinks support him.

I ask him and his supporters, would they get support from those people who could not work, who could not produce because the products could not be sold and because of the high cost with which those commodities would be saddled? I was pleased to see the minister make this change because, in so many instances, it is impossible for a corporation to know whether or not it is 5 per cent foreign owned. Shares are held by nominees, and a 5 per cent ownership in a company is a relatively small amount which can fluctuate back and forth. There is no way of knowing, but the act as originally designed imposed a mandatory duty upon a company by creating a presumption of foreign control with a 5 per cent ownership, when all the evidence before the committee and all the evidence the minister has ever received by letter or otherwise was that 5 per cent could not control a company, even if the shareholdings were concentrated in one hand. I do not want to anticipate the debate on my own motion which would increase the other percentage from 5 per cent to 10 per cent, but I fully agree with the minister that in using the figure of 25 per cent he has gone as far as the Bank Act, as far as the Life Insurance Companies Act—

The Acting Speaker (Mr. Boulanger): Before I call it five o'clock, I must remind the House that motion No. 5 will be deferred because, as I understand it, at eight o'clock we will come back to motions No. 4 and 18 as previously agreed to.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

[*Translation*]

The Acting Speaker (Mr. Boulanger): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Selkirk (Mr. Rowland)—Pollution—Date of publication of regulations under Northern Inland Waters Act; the hon. member for Central Nova (Mr. MacKay)—Pensions—Canada pension plan—Contributions by self-employed—Possibility of relieving provision; the hon. member for Saskatoon-Biggar (Mr. Gleave)—Grains—Possibility of increase in initial prices.

[*English*]

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

• (1700)

PUBLIC BILLS

IMMIGRATION APPEAL BOARD ACT

AMENDMENTS TO ENLARGE BOARD, PERMIT SITTINGS IN PROVINCIAL CAPITALS AND WIDEN GROUNDS FOR APPEAL

Mr. Stanley Haidasz (Parkdale) moved that Bill C-23, to amend the Immigration Appeal Board Act, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

He said: Mr. Speaker, I appreciate the warm welcome which hon. members give to this debate on Bill C-23, which I reintroduced last February 25. I hope that they will give favourable consideration to the amendments to the Immigration Appeal Board Act which it contains. As one who took part in the debate on the Immigration Appeal Board Act when it was passed by the House in March, 1967, I am convinced that the accumulated experi-

ence we have had of it over the past five years demonstrates the necessity for a re-appraisal of the legislation, and of amendments to make it more effective. I believe there is urgency to amend the act and to improve the existing regulations.

This need was recognized by the responsible minister in 1970 when he ordered a one man inquiry into the problems arising out of the act, particularly as a result of the large number of appeals against deportation. Today the Immigration Appeal Board is faced with a backlog of approximately 10,000 cases. Furthermore, the board is operating with only seven or eight members, instead of nine as provided by the act. One of the members resigned in April last and no appointment has been made to fill the vacancy. The board has a shortage of members and of staff. It sits in Ottawa and Montreal, and only recently began sitting in Toronto. As a result, it is able to hear just about 100 cases a month. Its 1971 budget of approximately $1 million and its staff of 68 people are not enough to clear the backlog of 10,000 cases. Some of the appellants have been waiting for three years to present their cases. Many hardships are experienced by these people during these long delays and due to the restrictive regulations and the lack of proper counselling.

We welcome the statement which the minister made last month that his department would re-examine its position, and take special measures to deal with the backlog of cases. My proposed amendments to the Immigration Appeal Board Act number only three, and are easy to understand.

My first proposed amendment is to section 3 and would increase the number of members on the board from nine to at least 14, but not more than 18, to be appointed by Governor in Council. This increase in membership would help the board to hear more cases. As I have already mentioned, there is already a backlog of 10,000 cases. Hearings at the present rate would take ten years to clear that backlog, and the backlog itself is increasing every year.

I also wish to amend section 6 to allow the board to sit in all of the provincial capital cities, and in other cities as required. People have to incur a lot of expense when travelling from Vancouver to Toronto or Ottawa in order to present their cases and make oral submissions to the board. They must also meet the expense of a lawyer, and travelling expenses for any witnesses that they wish to accompany them.

My third amendment concerns section 17. It would add another ground on which the board could quash deportation orders. Members of the board, when hearing an appeal, would also be allowed to take into consideration reasons of merit, not only legal facts, and reasons of a humanitarian and compassionate kind. This could affect exceptional scholars, athletes, and other people who would make good Canadian citizens. At present if they do not qualify under existing regulations, and there are no humanitarian grounds involved, such people are asked to go back to their countries of origin.

However, Mr. Speaker, I believe that the government should also improve its procedures and services in immigration matters. I believe it should broaden the categories of persons who can launch an appeal, or the category of sponsors who can launch an appeal. It should also provide better counselling services. At present we hear many complaints from people who are at the mercy of so-called immigration experts who charge exorbitant prices for their counsel. These people are in no position to pay such high fees, particularly for poor advice. I also believe that the government should inform appellants to a greater degree about their privileges. It should make this information available to appellants in their own languages, so that they may understand it. If the government does not inform people of their rights, then an injustice is done.

• (1710)

Only a few weeks ago we were all shocked by the tragic suicide death of Alicia Wiercioch of Toronto who tried to appeal her deportation but failed and lost all hope. I believe that if some of the measures which the government has already announced are adopted, and some of the amendments which I propose are accepted, many hardships will be eliminated. This afternoon I appeal to all members of the House to put forth their views, and with dispatch send this bill to the appropriate committee of the House for further study and the examination of witnesses if necessary, so that it can be passed, given third reading and sent to the Senate.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I find myself in some sympathy withh the hon. member for Parkdale (Mr. Haidasz) in regard to the motives for presenting this bill but there are some points that I should like to clear up.

The bill which was enacted in 1967 to set up the Immigration Appeal Board contained some very good provisions. Unfortunately, there is one lacunae, and it is one that the Supreme Court of Canada has had to move into under the Grillas case and one or two others in order to give more flexibility to the interpretation of the act. If there is an order for deportation which has been confirmed by the Immigration Appeal Board, no one but the Immigration Appeal Board itself can change the order. If deportation proceedings have gone forward to the point of exit from the country, they cannot be undone. Apparently someone thought that it was absolutely essential to remove all discretion from the minister. Personally, I think that was wrong because it also removed a good deal of humanity from the process of immigration.

I do not think that the difficulty lies with the Immigration Appeal Board and I would have liked the hon. member for Parkdale to give us his views on changes in the Immigration Act, particularly the regulations therein and their interpretation. Every year I have appeared before the Committee on Labour, Manpower and Immigration to question, to protest and to call for some action but nothing has been done. There is no flexibility in the consideration of the regulations and the interpretation of them.

To illustrate, at one time if someone representing an immigrant were to inquire as to that person's rating under the point system the file could be seen by counsel or a Member of Parliament. However, because some Members of Parliament dared to raise questions, and in many cases to point out errors and omissions which resulted in a change of verdict, the files have been closed. An applicant

cannot see his assessment, nor can counsel, until the special inquiry and so does not know what type of evidence or questioning is to be faced there. At these special inquiries I have seen questioning which would not be allowed in a court of law where the rules of evidence protect the accused. An immigrant applying for landing is questioned far more irrelevantly than an accused in a criminal court. Is that right? Of course, it is not but it is the practice.

I have asked why an applicant for landing in this country should have to go through the ignominy of a deportation order because he questions the point system. He may merely want to question the assessment, but would have to go through a deportation order and then appeal it. For three years the department has been telling me that this procedure would be changed but we have not seen any progress. It is no wonder people feel despair when they tackle the immigration process. It is a traumatic experience for a stranger to this country, a stranger to our language or culture and our customs, to be faced with this procedure. I would have thought that Canadians would extend a hand of welcome to those people we would like to have join us, but we make it very difficult. The present system is totally wrong for Canada. I would suggest that all those people who came to Canada before the passage of these regulations might be invited to leave because today, according to our regulations, they were admitted under the wrong criteria. But I do not agree with that, Mr. Speaker.

With regard to the hon. member's bill, I might say that if there were not so many appeals, if the immigration regulations met present day requirements, there would be no need for this great increase in the Immigration Appeal Board. Does it not sound rather ridiculous and paradoxical that the appeals procedure should require a greater number of personnel than the admissions procedure? The Immigration Appeal Board has a large administrative and service payroll and the salary of the commissioners, I might point out, is not as low as that of Members of Parliament. Is it not a sad reflection on the system that we must increase the size of the Appeal Board?

Why should there be almost 10,000 appeals, Mr. Speaker? I know that the system has been abused. The government was warned from the beginning that they were building up difficulties. People are not stupid and they soon find the loopholes. Why do we need 14 to 18 members on the Board? I do not think this will cure the situation at all, nor will the changes made by the government at the present time. I was surprised the hon. member for Parkdale said that he welcomed the changes being made. Of course, they torpedoed the whole system. He either accepted the system as it stood or, if the changes were to be welcome, it meant that the system did not mean anything. The minister, even when the prospective immigrant scores only five points may, under certain circumstances, agree to the landing of an applicant who is here in Canada. These considerations do not affect one iota the individual who is offshore and who is being sponsored.

• (1720)

In most instances, the difficulty lies with those people who have applied to be landed from within Canada. I agree wholeheartedly with the hon. member that subdivisions of the appeal board should be enabled to travel to provincial capital cities. I recently appeared before the board in a case. There was some question as to whether I should recommend to the appellant and her husband that that young woman, along with a witness and an interpreter, should come all the way from a rural area outside Edmonton to Ottawa to appear before the Board for about 20 minutes. Eventually, I decided to do this by way of affidavit and the case was resolved satisfactorily. The idea of presenting evidence by affidavit represents a terrible dilemma which the average immigrant does face. I have acted in other cases, and the immigrants did not know how to proceed. I am thinking of one case in particular; I suspect I may have to appear on behalf of the parties because they have no money. In that particular case, the sponsor is over 80 and bedridden. Affidavit evidence will be required. Good gracious, there is no way one can get the best possible hearing on the basis of affidavit evidence. Therefore, I fully agree with the second part of the amendment proposed by the hon. member.

As to the third part, speaking as a lawyer, I suggest that is superfluous because, in the appeal part of the act there is provision for reasons of merit. The proposed section reads in part:

> A person ... may appeal ... from a refusal to approve the application, and if the Board decides that the person whose admission is being sponsored and the sponsor of that person meet all the requirements of the Immigration Act—

The requirements of the Immigration Act include reasons of merit. I continue:

> —and the regulations made thereunder relevant to the approval of the application or that there exist compassionate or humanitarian considerations—

That is the wording of the act, as well. The hon. member would add, "or reasons of merit". There is already, within the Immigration Appeal Board Act, provision for granting landed status on compassionate grounds.

Let me cite a case I was on last month. After the deportation order had been made, the young person involved had married and had a child. If that person were deported, it would mean that the mother and child would be separated. The board was not greatly concerned about the husband; he was innocent in this case, not having known of the deportation order. There was no way that the board could separate the mother and child; there was no way, also, for the mother to be sent back to her country, with any guarantee of coming back to rejoin her husband and their child. Therefore on compassionate grounds, for the sake of the child, the board was able to review its previous decision, discharge the order for deportation and immediately direct the landing as an immigrant of the young woman who was now married to a Canadian and the mother of a child born in Canada. It is for reasons like that that section 17 is included in the act. I would say, therefore, that the third clause proposed by the hon. member is a tautology, since the matter is already covered in the existing section.

I have made my observations on the other clauses. I think, myself, that the bill ought to be sent to committee so that these various matters may be examined and, if necessary, amendments put forward.

[Mr. Lambert (Edmonton West).]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise, briefly, to support the general proposals put forward by the sponsor of this bill. In sponsoring this bill, it seems to me the hon. member is dealing only with a small part of existing difficulties in this area. These difficulties are well known to every member of this House and particularly well known to those hon. members who represent urban centres in which there are large ethnic populations.

We last amended the Immigration Act and set up the Immigration Appeal Board some five years ago. We thought that we had adequately dealt with the difficulties then apparent. Obviously, we dealt with them in a somewhat imperfect and half-hearted way.

The hon. member for Parkdale (Mr. Haidasz), when introducing this bill, told us that about 10,000 appeals are pending and that the board, as presently constituted, can deal only with about 1,200 cases per year. Obviously, unless drastic changes are made, the situation will become worse. It already is intolerable. Let me commend the present minister for doing as he proposed several weeks ago and attempting to clean up the backlog of immigration cases. Although I commend his intentions, his methods entail ignoring the immigration law and ignoring the regulations drafted and approved by the government he supports.

The present immigration law and the regulations drafted thereunder have led to the tremendous numbers of people appealing their cases. In recent years, fewer immigrants have come to Canada than in earlier years, owing, I suppose to the downturn in Canada's economy. People in western Europe, where there is virtually no unemployment, are not likely to rush to Canada, where unemployment, seasonally adjusted, has been running at 6 per cent for two years and more. Although fewer people have tried to enter Canada, more people than ever have appealed to the board. This has resulted partly from our previous revision of the law. When we last revised the act we inserted a clause which permitted people who had come to Canada as visitors to apply for landed immigrant status and so stay in Canada permanently. Previously, we had not permitted that. Under present procedures, large numbers of people are coming to Canada as visitors and then applying for permission to stay in Canada permanently. If their application is turned down by the department, they appeal the deportation order to the Immigration Appeal Board, as is their right. As a result, the number of appeal cases has increased, and it has been difficult for the board to deal with the increased number of appeals.

Although I agree in general with the proposals of the hon. member for Parkdale and think that these should form the basis for discussion in committee, either during the present session or in future, I submit that we need to look at the entire act and all the regulations. The hon. member for Edmonton West (Mr. Lambert) has already referred to some of the anomalies that arise under the act. When a person applies and does not score the 50 points required if he is to stay here, he is not told how many points he scored or why he was turned down. We need more public information about the criteria used.

• (1730)

Let me join with the hon. member for Edmonton West in saying I deplore the decision we made in 1967, I think it was, to remove from the minister the discretionary power which he possessed. I know it has been said that ministers are subject to political pressure. I can only speak for myself. I have dealt with a fairly large number of cases in the ten years in which I have been in Ottawa as a Member of Parliament: not as many, I am sure, as members from cities such as Toronto but, nevertheless, a considerable number of cases.

Speaking for myself, when having taken up a case with the minister or the department I have been shown that the application about which I have been making inquiries did not meet the law or the regulations, I have immediately dropped the case. I assume that other Members of Parliament follow the same practice. But when the minister possessed discretionary power, a Member of Parliament and, I presume, anybody else who took up a case with the department, was in a better position. I have found successive ministers responsible for the Immigration Department—and there have been a number of them in my time—to be reasonable, decent people.

When I had the opportunity to take up a case on the basis of common sense, on the basis of compassion, I cannot think of a case in my ten years when I felt the minister was being insensitive. I believe the hon. member for Parkdale would agree with me that had the Toronto case to which he referred happened while the minister possessed discretionary power, it could have been taken up with the minister and permission to stay would have been granted.

So I think this situation has to be looked at. The regulations need to be examined. The whole act needs to be examined. I commend the minister for what he did a couple of weeks ago. At the same time, his action demonstrated the bankruptcy of the present law, of the present regulations and of the procedures we now follow. We can excuse a crash program of clearing up a backlog which has now become intolerable. It certainly should not be allowed to happen again. It is the responsibility of the government to amend the Immigration Act, to amend the act dealing with the Immigration Appeal Board and to change the regulations so that the situation which has arisen in recent years does not recur. I certainly support the proposals made in this bill and I support reference to a committee, but I believe we must get down to making more fundamental changes than are proposed here.

Mr. E. F. Whelan (Essex-Windsor): Mr. Speaker, I wish to thank the hon. member for Parkdale (Mr. Haidasz) for bringing this subject before us. He has already given me instructions: I do not know whether you heard him, Mr. Speaker, but he said, "Don't talk it out." I do not intend to do that, but I believe there are statements I should put on record agreeing with what he said and others which perhaps reflect a somewhat different view.

What is the Immigration Appeal Board, and what are its functions? I have heard many people speak in this House about immigration. I have heard people talking on radio about immigration. I have heard great newsmen giving their views on immigration one morning, on transporta-

tion the next, and maybe on agriculture the next. I wonder how the same persons can be such experts, telling the nation what should be done about these difficult problems during a five-minute period early in the morning. I have heard them at it at night, too—different people.

I have appeared before the Immigration Appeal Board both as a witness and acting on behalf of immigrants who could not afford high-priced lawyers to appear for them. Since I am not a lawyer, I cannot charge them anything: I do this out of what I feel to be my duty as a Member of Parliament to look after these people when no one else seems to be looking after them. I may say I have yet to see a member of the press gallery attend an Immigration Appeal Board hearing. Maybe it has happened lately. These hearings are open to the public, but I have never seen a press reporter there and it beats me how they can be so knowledgeable in these circumstances. This goes for some members of the House, too, who speak about immigration but have never attended one of these hearings. They do not know what they are talking about. The Immigration Appeal Board is one of the fairest boards I have ever appeared before—and I have been in public life for 27 years and appeared before a great many boards at various levels. I disagree with the hon. member for Parkdale that the board does not take humanitarian grounds into consideration.

Mr. Haidasz: I did not say that.

Mr. Whelan: Well, I got the feeling that you did. Perhaps I misinterpreted the hon. member. I wish to say the board does act on humanitarian grounds and has done so in many of the cases in connection with which I have appeared before it.

The Immigration Appeal Board is made up of nine members. Who are they? I recently read an editorial in the *Sun:* I do not know whether the sun has risen yet or not, but if it is as inaccurate in all its articles as it was in that editorial, it has not. It called the members of the board political hacks and asked what they knew about immigration.

Mr. Speaker, I ask you to check the background of these people, their experience and the contribution they have made to our society. There is a group of highly qualified people who understand human nature, who understand human feelings. Their qualifications are high, in fact higher than those possessed by members of most boards of which I have had experience. One did not always win the case in which one was interested, but on leaving a hearing—which was always conducted by at least three members—one always felt it had been a good hearing, an honest hearing and that the members were really concerned about the people involved.

As a Member of Parliament I never presented a case before the board or appeared as a witness until I had personally investigated the applicant. I make the charge that many lawyers take money from these people without doing a proper job of investigating their backgrounds. They then blame the board, saying they did not get a fair hearing. I recall a case in which a large sum of money was taken from a would-be landed immigrant against whom a deportation order had been issued, and because my letter did not reach the board in time for the hearing they said the case had been lost. Can you imagine—a letter which cost me only a few cents, which was sent under my franking privileges and which got there one day late, was said to be insufficient to win the case! And they had charged this immigrant over $1,000! I say, shame on these people who take this money from people they know to be desperate. I know they have slackened the reins on this one.

• (1740)

There is a provision in the Immigration Appeal Board Act that provides for the cost of transportation and legal costs for such people. Yet I have yet to see this done. The hon. member's motion is a good one, though he seems to think I doubt that. The board can be enlarged and do a tremendous job. It can be composed of highly qualified people who can make independent decisions. We all know of many good prospects who are looking for such jobs. Who are they? In my area there are people who are retired—bankers who have retired before the age of 60 and are members of the teaching profession. They are still highly qualified citizens who have been dealing with the public all their lives and would accept a five-year appointment on such a board. As far as I am concerned, they would do a wonderful job. They would also be independent of the civil service.

Mr. Hees: Are they Liberals?

Mr. Whelan: I do not care what their politics are, as long as they are qualified. There are some Conservatives who would qualify for such a position, as well as members of the NDP. We even appointed one to be chairman of the citizenship court. A lot of people could qualify for this job and they would be independent, which is something that both we and the country want.

It has been suggested that these appeals should be handled by the bureaucrats. Have you ever seen, Mr. Speaker, one bureaucrat overrule the decision of another bureaucrat? I have yet to see that. The hon. member for Edmonton West (Mr. Lambert) pointed out that section 29 was tested in the Supreme Court because it was wrongly interpreted. I say it is still being wrongly interpreted. Section 29 gives the reviewing officers power to review an appellant's case before it goes to the Immigration Appeal Board. If a person is able to prove that he has adjusted to the Canadian way of life and has established himself, then he is given extra points to enable him to qualify as a landed immigrant. This is all the minister of immigration is proposing at the present time, and I say the proposal is long overdue.

I should like to make one thing clear at this point. Many articles in the papers have stated that the death of the unfortunate woman in Toronto who took her life was a factor in the suggested changes made by the minister of immigration. This is not the case. Several weeks before this occurrence I attended several meetings with the minister, and although we did not know what the minister was going to propose we knew he was going to make some proposals within a short time. During the interim, this unfortunate occurrence took place; but it had nothing whatsoever to do with the minister's decision.

We are all concerned about the backlog of appeals by people who want to remain in Canada, but I would like to

know why some members say it is a bad thing that so many want to stay. I saw an article recently which stated that 30 million tourists a year visit Canada. Are they suggesting that we prevent these tourists from coming here? Over the course of three years there have been 10,000 appeals from people wishing to remain, which gives us a percentage of one-ninth of one per cent who decide to stay in Canada. Ten thousand out of ninety million is a very small fraction.

Many of these would-be immigrants have no way of receiving a proper hearing in their own country when they apply to come to Canada. Is it so wrong that when these people come here, they like what they see and want to remain? Have hon. members ever bought a car, a tractor or taken a wife without first seeing the product? Why should these people not have the right to see what could be theirs for the rest of their lives? I say that the principle of letting visitors to this country apply for landed immigrant status is a correct one.

Hon. members declare that these people are bypassing the procedure. I have a case in my files of a person who wanted to bring his sister to Canada. The department sent him a form letter which was almost the same as one sent the previous year, and the decision was that the sister should stay with this person's brother. It turned out that the brother had died and the mother migrated to Canada. This is the sort of review that applicants get. The department was in error. This proved to me that the department did not even review the application. So how can I feel that these overseas officers do their job properly? How do I know that the same thing is not happening in many other cases?

Some people go so far as to say that we do not need any more immigrants. I wonder how these people reach such a decision. Is their idea that we should aid people in foreign countries, but that we must not let them come to Canada and share what we have? Some environmentalists are declaring that we already have sufficient people in Canada, with 22 million, and that we do not need any more. I say shame on them and on anyone else who adopts that philosophy. This is a great, big country with room for many more people.

There are those who say, "Let us have immigration, but selective immigration. Let us just admit the educated, those whom we steal from other countries, because it is easier and cheaper to do it in that way." I recently attended a high school graduation. Two of the students who received very high awards and scholarships would not have done so had their parents not established themselves in Canada. One of these kids would be running around the hills of Italy, picking up branches to cook low-nutrient soup; the other would be running around the hills of Serbia trying to find something to eat. However, under a Liberal immigration policy they came to this country; one of them is now training to be a doctor and the other is entering the field of higher education, both having achieved outstanding scholastic qualifications.

I could go on and talk about this subject, but may I merely say I am sick and tired of people like that great Conservative by the name of Sedgwick who brought in the most damnable report the government has received. I myself could have written a more human and realistic report. According to his report, he contacted many members of the House of Commons—but I should like to know who the hell they were, because he certainly did not contact me. I know more about immigration than he ever will.

Let me say something about the refugees that we quickly screen and admit to Canada. I say there is nothing wrong with that. Most people think this is a good thing. Canada was the first country in the world to admit tuberculosis patients and send them to hospital. There is a plaque in the library acknowledging the fact that we were the first nation in the world to do this. We also let political refugees into this country. Yet now we are asked to be restrictive! I don't care who it is, Members of Parliament, members of the press gallery, members of the judiciary or any others—they don't know what they are talking about when they speak about immigration. But they ask us to be restrictive!

• (1750)

An hon. Member: Let it come to a vote.

Mr. Deputy Speaker: Order, please.

An hon. Member: Keep talking.

Mr. Deputy Speaker: Order, please. The hon. member has the floor.

Mr. Whelan: I could not hear all that was being said over there, Mr. Speaker, but I gather some hon. members think what I am saying is not sincere. I suggest that perhaps this is a good motion and we should pass it this afternoon so these people can be appointed tomorrow. As I have suggested on several occasions, I agree with the hon. member for Parkdale. This is something we should have had a long time ago, when perhaps we would not have this backlog.

An hon. Member: Let it go to a vote.

Mr. Whelan: Hon. members can have a vote or whatever they want. Our Immigration Appeal Board may not be the best possible procedure, and perhaps not as good as it should be; but I suggest it is not all bad.

Mr. Deputy Speaker: Is the hon. member rising to ask a question?

Mr. Haidasz: Mr. Speaker, I rise on a question of privilege. I very much appreciate the remarks of the hon. member for Essex-Windsor (Mr. Whelan). I should like to stress once again, for clarification and in order that there is no misconception, that I did not complain that the Immigration Appeal Board was not taking into consideration humanitarian and compassionate reasons. As I stated, there are no federal funds available for legal counsel to assist appellants in defence against deportation orders. The only free legal advice they receive is that provided under legal aid in those provinces which have such a system. We do not have legal aid for needy persons in all provinces in Canada. I checked this an hour ago with the registrar of the Immigration Appeal Board, and he said the board only pays reasonable travelling and

living expenses in connection with the attendance of the person before the board.

Mr. Walter Deakon (High Park-Humber Valley): Mr. Speaker, I should like to make a few comments on this motion.

An hon. Member: Now we are going to hear it.

Some hon. Members: Oh, oh!

Mr. Deakon: Perhaps if we could cut down the jeering on this side I could make a few comments in the few minutes remaining before six o'clock. Let me sincerely commend the hon. member for Parkdale (Mr. Haidasz) who is always a staunch supporter—

Mr. Hees: We just want a vote.

Mr. Deakon: The hon. member for Prince Edward-Hastings (Mr. Hees) always shows a capacity for interjecting when a person is speaking.

Mr. Hees: We want a vote.

Mr. Deakon: I should like a little courtesy on his part in order that I may make a few comments. I should like, again, to commend the hon. member for Parkdale for his staunch and consistent support for a review and revision of our immigration policies. Some of our problems are a result of lack of immigration offices in various parts of the world. People who desire to come to this country very often circumvent the law and arrive in Canada as visitors. At that time they apply for landed immigrant status. We all realize that when these people apply for landed immigrant status after entering Canada as visitors, they sacrifice ten points in the inquiry officer's review. Contrary to what the hon. member for Essex-Windsor (Mr. Whelan) complained about, I believe the majority of legal professional men sincerely endeavour to give good advice to those they represent. The hon. member suggests they charge exorbitant fees. There may be a few rotten apples in the barrel, but I believe the majority try to do the best possible for their clients.

Some difficulties arise because there are many people who hold themselves out as experts in immigration law. I refer especially to people in the province of Ontario who are notaries public. Many of them hold themselves out as experts in the immigration field. They advise prospective immigrants of their rights. This is also true of travel agency employees who hold themselves out as experts. It is remarkable that Immigration Appeal Board people can enforce the regulations the way they do when one realizes that many of them are not legal people and can only—

Mr. Hees: One more minute and you have talked it out.

Mr. Deakon: The hon. member for Prince Edward-Hastings is very successful in his attempts—

Hr. Hees: You're not very successful.

Mr. Deakon: I might tell the hon. member that during a recent visit to the Soviet Union we were successful in re-uniting many families and we did not encounter any difficulty so far as Canadian immigration laws are concerned.

An hon. Member: Let's take the vote.

Mr. Deputy Speaker: Order, please.

An hon. Member: We'll get Paproski after you.

Mr. Hees: You will get another trip in September.

Mr. Deputy Speaker: Order, please. Perhaps hon. members would give the Chair indulgence for just one moment. In order that there is no misunderstanding in the future, the Chair would like to point out some doubt about the procedural acceptability of this bill. The matter is academic now in that it is six o'clock, but were it to proceed further I wanted to point out that it does seem to the Chair that clauses 1 and 2 involve an expenditure of money while there is no royal recommendation attached to the bill. I think the Chair's opinion is confirmed by the words of the hon. member for Edmonton West (Mr. Lambert). The hon. member was not arguing about acceptability in a procedural way, but suggested that commissioners cost money. I think that if clauses 1 and 2 were implemented we would then find a difficult procedural situation. I raise the question at this point in order that we do not create a precedent and difficulty in the future.

The hour appointed for the consideration of private members' bills having expired, I do now leave the chair until 8 p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

FOREIGN TAKEOVERS REVIEW ACT

MEASURE TO CONTROL FOREIGN TAKEOVERS OF CANADIAN COMPANIES

The House resumed consideration of Bill C-201, to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs, and motion No. 4 (Mr. Fairweather) and motion No. 18 (Mr. Saltsman).

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, this afternoon in the absence of my hon. friend from Fundy-Royal (Mr. Fairweather) who introduced amendment No. 4, I explained, and I shall do it in a very few words now, that while committed to the principle of consultation with the provinces on matters of takeover I found it impossible to accept the formal and obligatory character which seemed to me to exist in the

amendment presented by the member. I also expressed some fear concerning the provision which appeared to be included in the amendment, in respect of having consultation with all the provinces, "significantly affected by a takeover". Who would make the decision, I asked? After that I introduced a special amendment which I should like my hon. friend to support, if he finds it acceptable. The amendment would read as follows:

That Bill C-201, as amended and reported by the Standing Committee on Finance, Trade and Economic Affairs, be amended by striking out lines 25 to 27 on page 2 and substituting the following:

(e) the compatibility of the acquisition with national industrial and economic policies, taking into consideration industrial and economic policies of any province likely to be significantly affected by the acquisition.

I think that is the best I can do, Mr. Speaker.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, in the interest of getting on with this innocuous bill I shall withdraw my amendment. The reality, of course, is that the minister does not want to swallow any amendments proposed by people in the opposition, so he has done a semantics dance—a summer dance, I suppose. The rest of us would like to do a summer dance somewhere else, but the minister seems to like to do it here. He has done it, however, and I believe basically he has caught the intent of my amendment.

The secondary reality is that without the provinces being carefully apprised of the factors the minister will use in deciding whether the takeover is of significant benefit, the provinces will have a major input or the bill will not work I wanted to institutionalize this by an amendment. The minister has gone some way to meet my proposal; the provinces will have to go the rest of the way.

• (2010)

[*Translation*]

The Acting Speaker (Mr. Boulanger): Is there unanimous consent to withdraw the amendment?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Boulanger): Agreed.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, would you like me to read it again?

[*English*]

The Acting Speaker (Mr. Boulanger): Is the House agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Boulanger): There is a slight delay. I am waiting for my spectacles. I apologize to hon. members; I was in a bad position so far as either the English or the French texts are concerned.

Mr. Stanfield: Mr. Speaker, I do not think Mr. Speaker should see through the minister's glasses.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce) moved:

That Bill C-201, as amended and reported by the Standing Committee on Finance, Trade and Economic Affairs, be amended by striking out lines 25 to 27 on page 2 and substituting the following:

(e) The compatibility of the acquisition with national industrial and economic policies, taking into consideration industrial and economic policies of any province likely to be significantly affected by the acquisition.

The Acting Speaker (Mr. Boulanger): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion (Mr. Pepin) agreed to.

The Acting Speaker: The House will resume consideration of motion No. 5 moved by the hon. member for Oshawa-Whitby (Mr. Broadbent).

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, at five o'clock when the House adjourned for private members' hour I was commenting briefly on the proposed amendment of the hon. member for Oshawa-Whitby (Mr. Broadbent). I must say that under no circumstances could I recommend to my colleagues that we should return to the original proposal in the bill. The evidence before the committee was almost unanimous in advocating a change at this point. There were also changes suggested from the other side of the House of 5 per cent to 10 per cent at least. However, in this case I do not think any more is required.

I think that within the ambit of this bill, for what it is worth as a bill, this is a move in the right direction. The minister may smile, but he knows that I do not think much of the bill. I do not think the government has moved in the right way on the matter of foreign takeovers. The negative measures of setting up screening agencies and that sort of thing are not of any great value in this country. There are other, much more positive actions that could be taken on the matter of Canadian ownership in addition to enlisting the active participation of provincial governments in this field which have a great deal at stake and which can also scare away investment and deter Canadians and others from investing in the economic activity of this country since, after all, it provides the jobs on which people rely.

Mr. Max Saltsman (Waterloo): Mr. Speaker, throughout this debate I have been having some difficulty trying to understand the position of the hon. gentlemen to my right on foreign ownership. It seems to me that the hon. member for Edmonton West (Mr. Lambert) has gone some distance in telling us what it is, and I appreciate his explanation. What he is saying is that the only costs are those attached to government intervention in the economy. He went on to say that if there is scrutiny or examination of foreign ownership, Canadian taxpayers will be burdened with the cost; but there are apparently no costs connected with foreign ownership and therefore we can safely ignore it so long as we do not have any government bureaucracy. By implication, if you take this far enough, I presume what the hon. member for Edmonton West is saying is that we should disband the government completely and thus significantly reduce costs in Canada and everybody will be better off. I do not see him objecting

very violently, and perhaps that is what he has in the back of his mind.

Some hon. members: Hear, hear!

Mr. Saltsman: While I have been aware of some of the positions of the Conservative party, I was never aware of the fact that they were the anarchists of Canada. I think I had a right to hear from the hon. member while he was decrying government intervention, how governement intervention and the necessity of business to deal with government intervention would raise costs—but what about the amount of money that business contributes to both the Liberal and Conservative parties?

I presume that those contributions are costless if they give money to the Liberal and Conservative parties. I suppose this does not raise the price of goods in Canada, that somehow that is magic money which does not come from companies and therefore does not have to be added to the cost of goods. I presume, also, that the effects of foreign ownership, be they detrimental to Canada, are not levied on the price of goods in Canada. The only thing that seems to significantly affect costs is the government itself and the fact that the government will conduct some kind of scrutiny.

Mr. Lambert (Edmonton West): Do you want me to examine union contributions?

Mr. Saltsman: Union contributions do raise costs, but democratic action on behalf of union people is worth a little extra cost. If the hon. member for Edmonton West does not agree, then he and I do not see things eye to eye. I am sure it is much cheaper not to have democracy. If we did away with democratic institutions generally, did away with government and did away with agencies which assist the poor in this country, we could significantly reduce the price of goods.

I am suggesting that there are other values to be taken into consideration than a reduction in the price of goods. Of course, if union dues are a cost, then any kind of participation in our society is a cost. It costs money to hold hearings. The House of Commons is a cost. We could have significant amounts of money by disbanding Parliament, but no one in the House who would wish to see Parliament disbanded permanently, or even perhaps only for the month of July. This is a ridiculous kind of argument. I may be a little unfair to the hon. member for Edmonton West who, I am sure, does not really believe in an extension of his argument to the point that I have taken it. However, the trust of his argument is really in that direction and I think he should be careful before advancing that kind of argument. I support the amendment proposed by my colleague, the hon. member for Oshawa-Whitby (Mr. Broadbent). There is considerable value in it to the extent that by focusing on the level of ownership we are getting to the heart of the matter of foreign ownership in Canada. The level of ownership is not that important, but the government has been playing at a game, pretending that if you have it at one level instead of another, you will be doing something about the effects of foreign ownership. It is called the percentage game.

[Mr. Saltsman.]

• (2020)

The hon. member for Regina East (Mr. Burton) said that the minister must have had some rationale in the first place when he suggested 5 per cent before raising the figure to 25 per cent. He has a great deal more confidence in the rationale of the minister than I do, because I do not know why he picked 5 per cent and he has not explained it to us. I think he simply picked that figure out of the air. It is an incredible figure in light of other legislation that is on the statute books. Such legislation as that would be in conflict with the Corporations Act and with some of the objectives of the CDC. If the minister has some rationale behind selecting the 5 per cent level, he should explain it. I know why he increased it to 25 per cent but I do not know why he started off at 5 per cent. All the words he used today have not clarified his position.

What really emerges from an examination of foreign ownership is that playing the percentage game has really nothing to do with the main issue. In some cases even 5 per cent foreign ownership of a corporation might be enough to place it under the influence of a foreign corporation or a foreign country in a way that would be detrimental to Canadian interests. In other cases, 55 per cent, 60 per cent or even 70 per cent foreign ownership might not create that kind of problem.

The difficulty with this percentage game is that you have no way of assessing the effects of foreign ownership unless you have some kind of national strategy or national policy in terms of what you want to do with the economy. That is what we have been arguing consistently since beginning this debate. This legislation is worthless unless the government can tell us its strategy and objectives in terms of trying to direct the Canadian economy. Failing that, Mr. Speaker, we have a semantic argument, an arithmetical gyration between 25 per cent, 15 per cent, 10 per cent and 5 per cent, that leads us nowhere at all.

Even companies which are wholly-Canadian, Canadian pure, do not reassure me and many other people that our national interest is being pursued. If these companies operate under licensing agreements with foreign-held corporations, then very often they behave worse than branch plants of foreign corporations. Very often they have restrictions with regard to the markets they serve and the prices they charge.

Unless a move is made in the direction of planning the further industrial development of Canada, we cannot be persuaded that our percentage of ownership will have any significant effect in reclaiming the economy and ensuring the proper direction of the society in which we live.

Mr. F. J. Bigg (Pembina): Mr. Speaker, all Canadians are interested in Canadian control of our industry. Industry is the lifeblood of the nation. If you control industry, you control almost every facet of Canadian life. However, I want to go on record right away in saying that I do not want to join any witch-hunt against foreign investment. If we did not have foreign investment in Canada we would be a big cow pasture filled with pine trees. Foreign investment has made Canada the progressive and affluent nation which she is. I have represented the great district of Athabasca for ten years and I say that we need millions of dollars just to develop that district to its full capability.

I do not know where the money could be obtained in Canada alone to develop it.

Some have suggested the issuance of debt-free money. I do not think you can raise money by going into the basement and turning a crank. I know there are a lot of cranks in the government, and they are the cranks I would like to turn out of office. We must maintain Canada as a safe place for investors. I am not at all worried about how much money is invested in Canada. I think the present argument is over a worry that does not exist. So long as foreign capital is invested in Canada to create wealth for Canada and employment for Canadians, without risking our own economic future, then I am all for it. Without foreign investment we would now be a backward nation.

Before passing this bill we should take a good look at what it purports to do. If we are sure it is going in the right direction, we had better make sure there are teeth in it and that it will accomplish what we want it to accomplish. I do not want to waste a lot of time criticizing either the bill or the attitudes of other hon. members. I want to do something for which I am noted, that is to present a few positive ideas of my own, gleaned from listening to other people who know something about industry, in order to awaken the House to the dangers of hasty and ineffective legislation. Up to this time we have attracted foreign capital in large amounts and it has developed our country to the state in which we find ourselves now—progressive and affluent.

• (2030)

We need a bill which will encourage Canadians to invest in their own country rather than one which discourages American capital. I presume most of the criticism we have heard is levelled at American capital because that accounts for about 75 per cent of the capital invested in this country. Why are we not paying more attention to encouraging Canadians to work a little harder and to save a little money to invest in the future of Canada? No country in the world has any greater future. I think it is up to us, as Members of Parliament and as salesmen for our country, to sell the idea to the people of Canada. They are sitting on one of the biggest gold mines of the world and are doing very little about it.

What can we do to streamline this bill in a positive direction in order to get the interest of the Canadian worker, the Canadian saver, the Canadian financier, so that they will put money into Canadian investment? I suggest that one way is through deferred taxation. If every family in Canada saved $1,000 a year and invested it in Canada, the government would be banking money. We allow our neighbours in the United States, France and England to invest in Canada but we are missing the boat with our own people.

As backbenchers we are supposed to be powerless—but if we pulled up our socks we could help the Department of National Revenue draft legislation which would help the average Canadians receive some of the advantages. Up to the present we have failed to do this; that is why there is unrest. Certain elements can arouse labour into a state of frenzy because they have so little left when they pay their taxes and mortgages. We sit here in a country of staggering potential. No one knows the future of the Athabasca tar sands, to take just one area.

The Acting Speaker (Mr. Boulanger): Order, please. I do not want to be difficult, but it seems to me that the hon. member who has the floor is not speaking to motion No. 5. We have been generous, but I hope in view of the time the hon. member will speak on motion No. 5.

Mr. Bigg: Mr. Speaker, this bill has been in committee for a long time and now we are splitting hairs about amendments. There are a dozen or more amendments on the order paper, none of which get down to the nitty-gritty of what we are trying to do. We are now at report stage of this bill and there is nothing here which would encourage me to save a thousand dollars a year to be invested in the future of Canada. I would like to see some of these amendments offer a little hope for Canadians.

We are living in the most exciting 25 years of Canada's history. At least, it should be the most exciting. However, it may not be to the people who find at the end of the month that everything they earn has gone into current expenses and taxes. If there is any virtue in passing legislation to keep out American capital, I should like to know what is proposed to fill the void and to encourage our own people to save money and invest in this bonanza. I apologize to hon. members if I am boring them.

Some hon. Members: Carry on.

Mr. Bigg: In the Athabasca district, which I know something about, we do not know what the potential is. I am sure the hon. member for Athabasca (Mr. Yewchuk) will agree with this. A conservative estimate—I can use a big "C" or a small one—is 600 billion barrels of oil, enough to last us well into the twenty-first century even with the wasting of our petrochemical resources.

We are talking petty politics here and criticizing each other for not taking the right attitude. I accuse the whole bunch of us of being asleep at the switch because we are not putting into the Canadian taxpayers' pocket the opportunity to make money. Never mind the high-falutin talk about democratic ideals and socialist philosophy; when it gets down to it, our job in this House is to see that Canadians can make a living. If we do not make it possible for them to make a darned good living, we are delinquent in our duty and there should be 264 vacancies in this House. A lot of people in Canada are sick and tired of this nit-picking; they want to know what we are doing to make Canada's wealth available now, rather than waiting 150 years for us to do the job.

None of these amendments—Nos. 5, 6, 7, 8, 9, 10 and 11, etc.—gives the little taxpayer or the worker the opportunity that I think he should have to join the affluent society. That is why this is an empty bill, nothing but window-dressing. In its present form it will not do what it purports to do; it will not exclude foreign capital nor will it encourage Canadians to invest in their own future. I think that a bill which does not accomplish these things is useless and I should like to see a little common sense applied to it. We have become bogged down in many words.

I suggest that we put a clause in the bill—anywhere you like—or amend one of the clauses to say that any family in

Canada that wants to invest $1,000 in risk capital will be allowed an income tax exemption on that money. If there is no profit in investing in Canada's future, why is this such a happy place for foreign money? We are merely putting our finger on the sore, without putting the band-aid on it. The band-aid is for us to pull up our socks and let our people invest in Canada's future. I believe they will do it.

Mr. Speaker, even a government as extravagant as this one would find ten years from now that they would have a tax base where they could cut income tax to 5 per cent. Five per cent of the potential of Canada would be enough to run any country and give even a greedy government more money than it has at the present time. There would be no need to play politics about it—just give every Canadian an opportunity to invest in his own country!

Mr. Robert P. Kaplan (Don Valley): Mr. Speaker, I should like to comment on one or two of the points raised tonight. The hon. member for Pembina (Mr. Bigg) has called for a government incentive which would permit a Canadian to contribute $1,000 a year tax free. He says if that were done a tremendous amount of investment would result. I should like to remind the hon. member and the House that there is such a tax exemption. It is not $1,000 a year, but $3,000 a year which any Canadian can invest and deduct from his income tax: he pays no income tax on the amount it earns every year until he retires. It is the registered retirement savings plan. The exemption was increased from $2,500 to $3,000 a year by the tax reform bill which was passed in 1971. As hon. members rightly know, this was a popular piece of legislation and it is good legislation already on the statute books.

• (2040)

Some might feel that the legislation under discussion is not exciting, that it does not interest many Canadians. Again, I disagree. I think this is an exciting piece of legislation.

Mr. Alexander: One would not expect to hear the hon. member say anything else.

Mr. Kaplan: Foreign takeovers in Canada have increased steadily for the past one hundred years and, for the first time ever, a government has proposed a comprehensive policy to control foreign takeovers. This legislation excites me, as it does many Canadians.

Mr. Alexander: The hon. member does not believe that, does he?

Some hon. Members: Oh, oh!

Mr. Kaplan: What the hon. member for York South (Mr. Lewis) said shows that even the NDP thinks this legislation is of value.

An hon. Member: What?

Mr. Kaplan: Many of that party's amendments could be ignored and considered as not bearing on this point. The particular amendment we are considering in this debate shows that the NDP believes this bill will do some good.

Some hon. Members: Oh, oh!

[Mr. Bigg.]

Mr. Kaplan: That must be so, otherwise they would not be arguing that the bill has been weakened by any one amendment. The hon. member for York South began by saying that this bill is absolutely worthless, that it is of no benefit.

Some hon. Members: Hear, hear!

Mr. Kaplan: How can you say that and in the next breath allege that it has been weakened by a particular change? You cannot weaken something that is absolutely worthless and useless in the first place. Therefore, I think they indicated by what they said that this bill is of value.

When members talk about lowering the 25 per cent ceiling, or about a 5 per cent ceiling, they are talking about numbers, about a presumption. They are referring to the level of foreign ownership. These figures have nothing to do with the basic principle underlying this bill, or the basic test. That test is still to apply. In other words, any company which is foreign-controlled and seeks to take over another company, will be screened. That takeover transaction will be screened, however large or small the percentage of foreign ownership in that company is.

I do not concede the point made today by the hon. member for Edmonton West (Mr. Lambert) that you cannot control a company with a 5 per cent ownership. Neither does this legislation concede that. The 5 per cent or 25 per cent figures are only presumptions. The underlying policy of the law remains and is—as strong as when the bill was first put forward. In other words, if a company is foreign-controlled and it proposes to take over a Canadian company, that transaction must be screened whether the percentage of foreign ownership in the company taking over is 5 per cent or even less. In other words, the principle of the bill still applies as strongly as ever. Therefore, I think the amendment is unnecessary.

The NDP seem to forget that a great many companies which are not foreign-controlled would encounter difficulties if the bill as originally drafted were passed. They would need to bring merger or takeover transactions to the notice of the government and demonstrate that they, the companies taking over, are not foreign-controlled. The only point in the minister's amendment is that it relieves a great many companies that are Canadian-controlled of the burden of proving they are Canadian-controlled. In other words, they will not need to go through the screening process in order to demonstrate that they are Canadian-owned. On the other hand, if they are foreign-controlled they will not be relieved in any way by the raising of the presumption referred to. They will still need to be screened.

I should like, finally, to deal with a point raised by the hon. member for Carleton-Charlotte (Mr. Flemming). I had an extremely sympathetic ear to the point he made. For his part, he did not want to see this House pass legislation which might retard the development of his region. I think it is good that he should come here and take that position. However, I do not think there is anything in this bill of which he need be afraid. We know, for example, that it does not apply to foreign direct investment, although in the illustrations he gave that was the kind of situation about which he was concerned.

If I may speak about the area of foreign takeovers, to the extent that there will be foreign takeovers or proposals for foreign takeovers in future, this legislation will protect the people of the hon. member's region. The grounds on which the screening will take place, the issues at which the government will look and the kinds of negotiations that will be entered into will, contrary to possible expectations, ensure that his area develops and that the people of New Brunswick and the Maritimes generally will obtain the greatest possible benefit from any foreign takeover which may take place.

When takeovers occurred in the past, the only consideration by and large which governed was, how much money will the owner get. That must be looked at. I think it is important for that matter and for other issues raised in the bill to be looked at carefully. I think the hon. member for Carleton-Charlotte can take pleasure from this legislation. He can tell the people of his region that here is a new definition of public policy and that it concerns the healthy development of his area.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Boulanger): The question is on motion No. 5 in the name of the hon. member for Oshawa-Whitby (Mr. Broadbent). Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Boulanger): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Boulanger): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Boulanger): Pursuant to Standing Order 75(11), the recorded division on the proposed motion stands deferred. The House will now consider motions Nos. 6, 7, 8 and 9.

Mr. Lambert (Edmonton West), seconded by Mr. MacLean, moves:

That Bill C-201, an act to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons, be amended by striking out the figure "5" where the same appears in line 14 on page 5, line 10 on page 6, and line 34 on page 7, and substituting therefore in each and every instance the figure "10".

The next motion is No. 7: Mr. Hees, for Mr. Horner, seconded by Mr. Alexander moves:

That Bill C-201, an act to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons, be amended by deleting the figure of 5 per cent in line 10 on page 6 and substituting the figure 10 per cent.

Motion No. 8: Mr. Hees, for Mr. Horner, seconded by Mr. Alexander, moves:

That Bill C-201, an act to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons, be amended by deleting the figure 20 per cent in line 16 on page 6 and substituting the figure of 40 per cent.

Finally, motion No. 9: Mr. Hees, for Mr. Horner, seconded by Mr. Alexander, moves:

That Bill C-201, an act to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons, be amended as follows:

in subparagraph 3(3)(c) by substituting the figure 10 per cent for the figure 5 per cent in line 34; and

in line 39 by substituting the figure 40 per cent for the figure 20 per cent.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, if I speak to motion No. 6, this question was debated at great length at second reading. I think I crossed swords with the minister at least half a dozen times or more on this point in committee. The witnesses who appeared before the committee and considered this point were unanimous in condemning this provision as it stands in the bill. When I raised this matter the minister said, "Wait until the members from the Canadian Bar Association come, and we will see what points they raise." They raised two points. First, they were not satisfied as to the constitutional power of the government of Canada to deal with the problem as proposed in this bill. Second—and this is their other point—they were in agreement with what I contended, namely, that there are at least half a dozen major acts on the statute books dealing with the ownership of particular types of Canadian business institutions, mostly in the financial field.

There are stringent requirements governing foreign ownership and many of these statutes have been amended in recent years in this field. There is the Canada Corporations Act which says that 10 per cent ownership shall be the limit in connection with insider-trading.

• (2050)

I point to the testimony given before the finance committee, as it then was, now the Committee on Finance, Trade and Economic Affairs. The then minister of finance, now Secretary of State for External Affairs (Mr. Sharp) said that with a holding of less than 10 per cent no one company could gain control of a Canadian bank. Life insurance companies, trust companies, have also been dealt with. Sales finance companies, newspapers, broadcasting, have all been dealt with. The figures are 10 and 25. Now, for some unknown reason, the figures have become 5 per cent cumulative. There is no such thing as 10 per cent or 5 per cent in the hands of any particular individual.

Therefore, all I can say is this: let us introduce a degree of uniformity. If all the expert witnesses say it is impossible to acquire control of a Canadian company with a holding of less than 10 per cent, why on earth have people in the minister's department, people with little or no experience of business, come up with the figure of 5 per cent? If a non-eligible person, within the meaning of the act, acquires a 5 per cent holding in a publicly-traded Canadian company, or 20 per cent of a privately-held company, or if there is an acquisition of 5 per cent in a non-eligible company or an acquisition of the assets of a company, the transaction is subject to screening, subject

to the determination that it is of significant benefit to Canada.

There has been a good deal of discussion as to the correct interpretation of the phrase "significant benefit to Canada". As it is, apart from some pious and hopeful words on the part of the minister, there is nothing which defines what may be of significant benefit to Canada. It is true there are certain criteria mentioned in clause 2(2), but these are meaningless as applied to many of the transactions which will arise. This is an area the minister has failed to clarify. There has never been an indication as to the way in which it would be handled.

As an example, I mention a transaction involving the acquisition or exchange of portfolio investments. This brings again to mind the amendment I mentioned this afternoon, the one which was discussed in committee, to the effect that the government should be able to show that a transaction is detrimental to the interests of Canada rather than that the parties to the transaction should show that it is of significant benefit. There is a vast difference, particularly when one is dealing with portfolio transactions. I suggest to the minister and his advisers that they have no conception whatsoever of the volume of these holdings or of the totality of these transactions in the course of a year.

If the minister or his advisers have read the evidence given by the witnesses who came before us, they will have realized that this country has no monopoly of attraction for foreign capital. The picture is very competitive—and if there is any degree of uncertainty, investors will get out. If the proposed degree of uncertainty is allowed to remain, I will make a bet with the minister that in the majority of cases investment plans will be abandoned. Is this what the minister wants? This is the sort of monster he is creating.

After all, the Department of Industry, Trade and Commerce has had no experience in the investment field. Those who do have such experience warned the minister time and again of what may lie ahead. Yet the government plunged headstrong into this area. If the result, a year or two from now, is found to be underdevelopment of resources, undercapitalization, will it be a solace to any Canadian to hear hon. gentlemen opposite say, "we have made a mistake: the patient is being given a fatal injection; he is not being cured"?

I am reminded of the actions of the former minister of finance (Mr. Benson) when he told us he intended to deal with inflation. All that resulted was increased unemployment. Warnings were given then. Fortunately, some of the silly things which were proposed never came to fruition. This is another area in which the government is likely to run into serious difficulties. We have already heard that potential investors are becoming extremely skittish because of this proposal. I can tell the minister that I was asked about the prospects of this bill passing by a firm of corporation lawyers in western Canada the other day. They had a major transaction in hand and there was a clause in the agreement to the fact that if the deal was even challenged, the whole thing was off. The minister does not understand that these people are entering into a deal, one which, incidentally, is of benefit to Canada—

Mr. Pepin: Good. then they have nothing to fear.

[Mr. Lambert (Edmonton West).]

Mr. Lambert (Edmonton West): But the possibility of intervention by the minister or his officials will kill it. The clause is in the agreement.

Mr. Pepin: What are they hiding?

Mr. Lambert (Edmonton West): They are not hiding anything but they do not want to expose the deal to any cockeyed ideas which may be held by the minister's officials. I am not going to repeat the arguments I have made in this regard. I simply draw attention to the fact that they have been made time and time again. The minister has not yet given one good argument for insisting upon the 5 per cent. Why not be consistent and use the figure of 10 per cent? Certainly he would lighten the administrative load in his department, which at the moment is an unknown factor but I am sure has been underestimated by his deputy minister in what he said to the committee.

• (2100)

I know that the minister was reasonably well disposed toward this type of amendment the other day. How can the minister say that the Bank Act is wrong? How can the minister say that the Canada Corporations Act is wrong? How can the minister say that the Life Insurance Companies Act and all the other acts referred to are wrong, but that this one, which incidentally is the only one falling under the responsibility of his department, is right?

I urge hon. members to accept the spirit of the amendments that are before the House at this time. My colleague for Crowfoot (Mr. Horner) has amendments that are similar to mine but which make further adjustments with respect to private companies. I have spoken about public companies. I am quite prepared to accept the minister's proposal in order to be consistent, but I think his argument that this bill should provide for 5 per cent is absolutely ludicrous since all the other legislation of this kind passed by the Parliament of Canada during recent years have provided 10 per cent. Has the logic and the *raison d'être* of that legislation now gone by the board?

Mr. Bill Knight (Assiniboia): Mr. Speaker, I listened with a great deal of interest to the remarks of the hon. member for Edmonton West (Mr. Lambert). His remarks were easily discarded by the hon. member for Pembina (Mr. Bigg), who said that amendments 6 through 9 were somewhat irrelevant to the whole question. It is of interest to note that a fellow member of his party finds amendments moved by the official financial critic of the party to be irrelevant. The logic presented by the hon. member for Edmonton West, who aspires to be minister of finance, I suggest is quite unacceptable.

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

The Acting Speaker (Mr. Boulanger): Order. The hon. member for Pembina (Mr. Bigg) on a point of order.

Mr. Bigg: I cannot let the hon. member's remarks go unchallenged. What I said was that these amendments gave no real effect to a bill that is without basis at the present time. I did not say what the hon. member just said I said.

Mr. Knight: Mr. Speaker, I will not change my opinion of what I thought I heard the hon. member say. I suppose I could debate that issue for the rest of the evening, thus making the platitudes used by the hon. member in his speech even more irrelevant in terms of debating this bill.

The hon. member for Edmonton West talked about the Bank Act and the percentage used in relation to the amount of foreign ownership in Canada. I sometimes listen to the Minister of Industry, Trade and Commerce (Mr. Pepin) with a great deal of mixed feeling, but I assume he is relating this percentage to foreign control, not ownership. Both control and ownership are fundamentally different questions from those posed by the Bank Act.

I find the amendments moved by the Conservative opposition quite reprehensible in the sense that if this is the sort of action that they would take on this measly, inadequate piece of legislation if they were to form the government, then we can well see how they would deal with the question of Canadian independence and Canadian nationalism. The fact of the matter is that they will not, and cannot bring themselves to find an answer to foreign ownership in Canada and to the questions posed by Canadian nationalism. These amendments moved by Her Majesty's Loyal Opposition demonstrate the weak-kneed, lack-lustre approach of that party to independence in this country and can be coupled to the lack of imagination shown by the government in the meagre answer it has put forward today to the question of foreign ownership.

The original bill made reference to levels of 5 and 10 per cent in regard to foreign control, and although the members of this party wish to maintain those levels in the present bill, we find the provisions relating to the value judgments and performance standards required quite reprehensible. As a result, the bill is going to be ineffectual. Indeed, it is mere window-dressing for the forthcoming federal election.

Let us look for a moment at the clauses of the bill to which the Conservative amendments relate. For example, amendment No. 8 moves from 20 per cent to 40 per cent the percentage of voting rights of shareholders, and thus increases the number of loopholes in the act so as to enable large corporations to avoid having to deal with a screening process even as weak and unimaginative as that presented by the bill.

The hon. member for Don Valley (Mr. Kaplan) described this legislation as exciting, but I have to disagree with him. It is a piece of legislation that fails to deal directly with foreign investment in this country. It deals with a mere 6 per cent, and does so in such a way as to cast doubt on whether this government or any future government will ever take real action to control foreign ownership. The amendments presented by the Conservative opposition merely serve to underline the other defects in the bill.

I am sure hon. members are well aware that government members are bemoaning the fact that opposition members are continually putting forward negative proposals without offering alternatives. I think the government should recognize that there is one political party in the House that has offered clear and consistent alternatives to the policies of the government, namely, the New Democratic Party. The amendments put forward by my friends in the Conservative party do nothing to strengthen the one small tooth that there is in the jaws of the bill. The government party is always unhappy about any kind of criticism in respect of its legislation, yet we sit here and witness this kind of legislation in respect of foreign control and ownership.

• (2110)

Some hon. Members: Oh, oh!

Mr. Broadbent: Mr. Speaker, I rise on a point of order. I wonder whether you might say something to those Liberal backbenchers who obviously require a lot of information. A very able speech is being made, and if they listen they might learn something.

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. The Chair would like to say, with respect, to the suggestion of the hon. member that while I do not make any assessment as to the source of the undertone, I should like to hear the hon. member for Assiniboia (Mr. Knight). I know hon. members will co-operate.

Mr. Hees: Mr. Speaker, the only thing we object to is the fact that the hon. member has not named the party about which he is speaking—and we should like him to tell us about the Waffles.

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please.

Mr. Knight: Mr. Speaker, the former minister of industry, trade and commerce is speaking from the past, as usual. He is out of date and irrelevant in respect of the Canadian scene. We in our party have been critical in this debate in respect of these policies and we make no apology. At least this party, which bases its democratic principles on the right of debate, can take credit for the fact that we know what is going on in Canada in the twentieth century.

Some hon. Members: Oh, oh!

Mr. Knight: Hon. members across the way get very nervous when we point out the lack of imagination they show in terms of this foreign ownership legislation. Let me assure the minister that when and if this bill passes we will look at it with a great deal of interest to discover what action will be taken in terms of carrying out the very minor things involved in the bill. We will watch with interest. The amendments moved by the Conservative party in motions 6, 7, 8 and 9 weaken further what is almost an irrelevant bill. I hope members of this House of Commons will vote categorically against each of these amendments.

Mr. Hees: Tell us about Laxer.

Mr. Max Saltsman (Waterloo): Mr. Speaker, I hear a request from the hon. member for Prince Edward-Hastings (Mr. Hees) that I enter this debate, and I must say I

am surprised to note how he and his colleagues are helping the Liberal party.

Mr. Hees: We just want information. We want to hear more about Laxer.

Mr. Saltsman: What the hon. member does not realize is that the Conservative contribution to this debate makes the minister more comfortable. The Liberals like to sit in the middle. They say the Tories are way out on the right and do not want control of foreign ownership. They say the NDP is way out on the left and really wants control of foreign ownership. Therefore, the Liberals must be correct.

Some hon. Members: Hear, hear!

Mr. Saltsman: You are reinforcing the good opinion the Liberals have of themselves, an opinion that is not justified on the basis of any reason. I am surprised the Conservative members would be so co-operative in assisting the Liberals in this way. I hope they will desist from this so we can continue the debate on foreign ownership.

The hon. member for Edmonton West (Mr. Lambert) went to some pains to indicate the number of witnesses who appeared before the House of Commons committee and were unanimous in supporting the increased level from 5 per cent to 10 per cent. I might have been more impressed had he related the fact that there were few witnesses who appeared before that committee. There were not enough to really question whether in fact this bill had received the kind of examination it deserves. I think the lines are pretty clear in this debate. We in the NDP want foreign ownership in Canada brought under control and we want to make sure that whatever foreign ownership there is works to the advantage of Canada. The Conservative party is doing everything it can, by presenting amendments and intervening in the debate, to limit any attempt to control foreign ownership. I think it is important that the people of Canada know that this is the Conservative position. The Liberal position is always obvious; they do not want to do anything at all.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I am amazed that a bill which does so little, qualified by some as "double zero," could be as potentially dangerous to the Canadian future as forecast by the hon. member for Edmonton West (Mr. Lambert).

What the hon. member has told us today is exactly what he told us repeatedly in the committee. I have sympathy for some of what the hon. member for Assiniboia (Mr. Knight) has said. Let us pass this bill and judge it on the basis of what will happen in the future. This is what I have been asking for. But we cannot do that if we do not pass the bill.

Mr. Lambert (Edmonton West): That may be fine, but the patient will die.

Mr. Pepin: Mr. Speaker, I would suggest that the omens are good; it is indeed almost providential that we are here today discussing this bill. Obviously, the hand of God has intervened.

An hon. Member: Yes, but he is not in the House.

[Mr. Saltsman.]

Some hon. Members: Oh, oh!

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

Mr. Saltsman: Mr. Speaker, on a point of order.

Mr. Deputy Speaker: The hon. member for Waterloo (Mr. Saltsman) rises on a point of order.

Mr. Saltsman: Mr. Speaker, I think you should bring the minister to order for trying to equate the voice and the hand of the House leader with providence and the hand of God.

Mr. Deputy Speaker: Order, please. I think the minister should be allowed to make his own speech and seek whatever help he can get.

Some hon. Members: Oh, oh!

Mr. Pepin: Mr. Speaker, I think there is something providential in all events that take place in the world, and the fact that we are here today is obviously one of those events. I agree with NDP members that the amendments contained in motions Nos. 6, 7, 8 and 9 would tend to reduce the strength of the bill. They would raise the presumption of non-eligibility from 5 per cent to 10 per cent. That change is in motion No. 6. They would also increase the presumption of acquisition from 5 per cent to 10 per cent and from 20 per cent to 40 per cent in respect of a private company. They would also raise the floor of automatic exemptions from screening from 5 per cent to 10 per cent, and from 20 per cent to 40 per cent in the case of private companies. So the position, of course, would obviously be to make it easier to avoid or circumvent in some way the operation of this bill, and consequently weaken it.

• (2120)

A question was raised concerning why these presumptions and the "floor" for acquisition were placed at the levels at which they were placed. We are asked how we justify these figures. I admit there is some arbitrariness in this, but generally speaking the purpose is to prevent acquisition of control of good Canadian companies, many of them important, with a very low level of non-eligible investment without even the possibility of screening these acquisitions of control. There are differences in the opinion of the experts. My hon. friend from Edmonton West has his experts who appear to be saying, if he quotes them correctly, that these levels are much too low. Others say they are already too high. There is a strong body of learned opinion which suggests that 5 per cent ownership of the voting rights of a public company, in some circumstances and in some instances, could constitute control. In cases where this is not so it would be easy enough to discharge the presumption, either by showing the minister that control does not lie with the person presumed to be involved or that the acquisition of 5 per cent by a person does not constitute acquisition or control. This is the very purpose of presumptions. I have said it so often that I am a little bored repeating it.

Mr. Lambert (Edmonton West): But the patient will die in the interval.

Mr. Pepin: Mr. Speaker, we have heard from the catacombs tonight through the hon. member for Edmonton West (Mr. Lambert). He tells us that this bill will bring about the end of foreign portfolio investment in Canada. I suggest that investors are not as nervous as my hon. friend seems to think they are: they are shrewd, hard-headed guys. If investment is good, I do not think they will be stopped by having to send a letter to the minister pointing out that they are not acquiring a control situation. The answer will be given quickly, in less than ten days. I do not think this will mark the end of foreign portfolio investment in Canada.

I might also remind my hon. friend that the acquisition of less than 5 per cent in a public company and of less than 20 per cent in a private company will not be subject to screening. So investors, in these cases at least, will not actually have to submit to the imperialistic dispositions of the Minister of Industry, Trade and Commerce. I suggest, also, that most of these gentlemen are accustomed to dealing with circumstances and countries in which the exercise of these regulations is much more strict, much more cumbersome and much more *sub rose* than it will ever be, I am sure, in Canada. We are not dealing here with kids but with very sophisticated people. I am convinced they are, and will still be, interested in investing in long-term investment in Canada for a long, long time. I suggest that the hon. member for Edmonton West, is overdramatizing here tonight.

Mr. John Burton (Regina East): Mr. Speaker, even the Minister of Industry, Trade and Commerce (Mr. Pepin) seemed to excuse his efforts today by saying that it is rather providential that we are here today. I find it difficult to see what kind of rationalization he finds in this. I do not know whether he is a mystic of some sort, has some kind of communication with Mackenzie King in the past, or whether he really needs the help of providence in helping the Canadian economy.

I suggest that if the minister is to make these controls work it is very good that he should draw on whatever aid he thinks he can obtain from providence. I shall certainly not belittle that particular form of assistance. However, I think help should come from a little more substantive source than he has had up to the present time. But I agree with what has been said by him and, more particularly, by my colleague the hon. member for Assiniboia (Mr. Knight) in criticism of the amendments put forward by the Conservative party, because I think in amendments such as these we see which side the Conservative party is on when it comes to the crunch. The Conservative party is on the side of big business: its concern is with big business and industry.

Some hon. Members: Oh, oh!

An hon. Member: Come on, now!

Mr. Burton: The Conservative party is friendly with the manufacturers' association. They get along very well. That is where its friends are. That is where it will obtain whatever help it can. It seems to me it is attempting to outdo the Liberal party and the government in wooing big business and industry in this country. It is quite clear the government felt it was in trouble with business and industry over the past several months and has been doing its best to calm things down and placate the business community. With these changes and the changes the government introduced at the committee stage, it made a further attempt to placate the business community. Now we see the Progressive Conservative party trying to outdo the government: it would make even more concessions. I think it has been very useful to have these amendments because we know exactly where the Conservative party stands when it comes to the crunch in dealing with the interests and welfare of the Canadian people.

Some hon. Members: Question.

Mr. Deputy Speaker: Is the House ready for the question? The understanding of the Chair is that motions Nos. 6, 7, 8 and 9 will be put and that the disposition of motion No. 6 will govern the other motions. The question is on motion No. 6. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Section 11 of Standing Order 75, the recorded division on the proposed motion stands deferred.

• (2130)

It is the understanding of the Chair that when Mr. Speaker reviewed the matter when the report stage was first called, he did not make suggestions beyond the stage that we have just completed. I know that if hon. members are not in accord they will so indicate to the Chair, but we might now take motions Nos. 10 and 11. The vote on motion No. 10 would also dispose of motion No. 11. Motion No. 12 might then be considered and disposed of separately.

It is also suggested that motions Nos. 13 to 16 should be combined for the purposes of debate. If necessary, motions Nos. 13 and 14 might be voted upon separately. A vote on motion No. 15 would also dispose of motion No. 16. Motion No. 17 might be considered and disposed of separately. Motion No. 18 has been withdrawn. I will not go beyond that point at this time, and if hon. members have any suggestion on the proposed groupings they might indicate it to the Chair; otherwise we could proceed with motions Nos. 10 and 11.

Foreign Takeovers Review Act

Mr. Lambert (Edmonton West): Mr. Speaker, I am holding up the debate briefly for my colleague, the hon. member for Halifax-East Hants (Mr. McCleave) who is on his way. He has gone for some documentation. I hope the House can await his return for a moment.

Mr. Pepin: To accommodate the hon. member for Halifax-East Hants (Mr. McCleave) we might take amendment No. 12 so as to use up the time while he is on his way.

Mr. Deputy Speaker: Order, please. I might put motions Nos. 10 and 11. Mr. McCleave moves motion No. 10 as follows:

That Bill C-201, an act to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons, be amended by deleting paragraph 3(5)(d) and substituting therefor the following:

"(d) The acquisition of any rights described in paragraph (c) shall be deemed to constitute the acquisition of the shares or property to which the right relates except where it is established that the right was acquired for the purpose of safeguarding the interests of the person by whom it was acquired in respect of a loan made by him, or for the purpose of use by the person by whom it was acquired in the normal course of carrying on a leasing business, and not for any purpose related to the provisions of this act.

Mr. McCleave also moves motion No. 11 as follows:

That Bill C-201, an act to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons, be amended by deleting paragraph 3(5)(e) and substituting therefor the following:

"(e) the acquisition of a leasehold interest in any property used in carrying on a business shall be deemed to constitute the acquisition of that property except where it is established that the interest was acquired from a dealer in such property or from a person owning such property in the normal course of carrying on a leasing business, or except where it is established that the person by whom the interest was acquired had previously owned such property.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, the House is in such an agreeable mood tonight that I hoped that by staying away these very worth-while amendments would pass with little or no discussion, thus adding greatly to the commercial law of the country. However, speaking more seriously, they are here to clear up what may be defects in the present bill. I am not saying that there are defects in this line in the present legislation, but after consultation with lawyers who are much more learned in this matter and have much more experience than I ever could have, I have decided that these amendments should be presented for consideration of the House and, more particularly, in the hope that the minister and his advisers would agree to them.

Perhaps the main purpose of the amendments is to make sure that this legislation not only encourages Canadian ownership of Canadian enterprises but encourages also the use of Canadian-made goods. The anomaly that I think I spotted in this legislation is that there is uncertainty about the leasing business and it might very well pay in large transactions to use American-made chattels rather than Canadian-made chattels. If this were so, and I think it could be so, then we would be defeating the purpose of this legislation.

I think we should not only look at the legislation from the standpoint of encouraging ownership of Canadian operations by Canadians, but also we should encourage if possible the greater manufacture of goods within Canada rather than their importation from abroad. Yet, unless one of these amendments passes, I suggest that companies may find that it is much more advantageous to go abroad to buy such products as large sawmills, jets or the like—the cost of which falls within the figures set forth in this legislation—than to buy them in Canada.

Another purpose of the amendment is to ensure that when businesses are to be financed it is possible to make the loan in the first place without falling in the ambit of this legislation. There have been some exceptions made already, thanks to representations made in the committee, but I think I carried it a logical step further.

The two purposes of the amendments are, first, to solve the problem which would prevent non-eligible companies from providing financial services for Canadian business—and this would involve hundreds of millions of dollars worth of transactions, so we are not exactly dealing with peanuts—and, second, to make it unnecessary for non-eligible Canadian companies to do their major leasing abroad. So it is in the spirit of helpfulness, of trying to make the law as crystal clear as possible, that both these amendments are offered. I hope they will, therefore, find favour with the House.

I understand, also, that discussions have been going on between certain people who are familiar with this type of law and the minister's officials. This makes me perhaps a little more confident that the point I am making is a rather valid one. If the minister wanted more time to study these amendments, and if he cannot accept them now, I hope he will agree that they be stood until just before the votes on these matters.

• (2140)

As I say, it is in the spirit of trying to make the law crystal clear, and seeing that Canadian made goods to the value of a third of a million dollars are encouraged, rather than importation of goods of that amount from abroad, that I have proposed these amendments this evening.

Mr. Max Saltsman (Waterloo): Mr. Speaker, while I would like to accommodate the hon. member for Halifax-East Hants (Mr. McCleave) on his amendments, I have some reservations. I am sorry that he did not take a little more time to be specific on how his amendments would work. I am concerned that in trying to correct some difficulties that occur in a leasing operation, his amendments would provide a large opening to nullify certain provisions of the bill. They might lead to a situation in which businesses, instead of being purchased, would be leased out in order to evade provisions of the bill.

There is a growing tendency for ownership to be somewhat meaningless and for the operation and command of resources to be more important. Many companies are switching to long-term leasing arrangements rather than direct ownership. I am concerned that these amendments would enable such a loophole to appear and in effect would nullify what the rest of the bill is trying to do. Unless the hon. member can persuade me to the contrary, I do not see how we can support his amendments.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, to use the words of the hon.

member for Halifax-East Hants (Mr. McCleave), with the help of people much more learned than I am I have tried to analyse the meaning of motions Nos. 10 and 11. In general I think I can summarize it by saying that in the case of motion No. 10 it requests exemptions to allow a non-eligible leasing company to acquire property for leasing, and in the case of motion No. 11 to allow a non-eligible company to lease from a leasing company.

I contend that to cover these two situations his amendments are not needed. That which he is attempting to exempt is already actually exempt, but it is only exempt inasmuch as it does not involve the actual acquisition of a business, which is the point that I think the hon. member for Waterloo (Mr. Saltsman) was making, situations which involve the acquisition of a full business, or for that matter the leasing of a whole business, which would have to be screened.

May I put this in more specific terms, reading from the notes that I have here, Mr. Speaker. There appear to be some observers who believe that the bill will adversely affect people who are in the leasing business. I want to try to clear up this matter. According to the bill, a person who acquires a leasehold interest in a property used in carrying on a business is deemed to have acquired that property. Does this mean that a non-eligible person who leases or rents a computer, a fleet of trucks, an aircraft or a ship will have to go through the screening process? The answer is no in almost all cases, because that person has not acquired "all or substantially all of the property used in carrying on a business" as stipulated in clause 3(3)(a)(i)(B), or indeed has not acquired "a part of a business that is capable of being carried on as a separate business" as stipulated in clause 3(5)(g).

This person has simply acquired "hardware." A business is more than hardware. A business involves at least some of the following: inventory, good will, a name, customers, suppliers, accounts receivable, accounts payable, and so on.

The government cannot, however, exempt leasehold interests for two reasons. First, a company could go into the business of acquiring businesses and leasing them to non-eligible persons. This would be a clear circumvention of the act. Secondly, circumvention would be possible in another way. Company A buys good will, inventory, etc. from Company B. Company B sells its buildings and machinery to a leasing company. Company A then leases this plant and equipment back from the dealer. He could avoid the act by saying that he has not acquired all or substantially all of the property used in a business. The act must cover the potential splitting of a business.

The conclusion is that taking a leasehold interest in a certain property, a piece of equipment, for example, would in itself rarely constitute taking a leasehold interest in a business. It would be an interest in part of the property used in carrying on a business, and consequently it would not be screened. But if leasing means de facto acquisition of a business, then it would be screened. I put that on the record hopefully for the benefit of those people who have been writing to the hon. member for Halifax-East Hants.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I think the minister has indicated that there is an ambiguity in the bill. I am sure he realizes that the people who put forward suggestions for these amendments are cognizant of certain features of the equipment leasing business that may have escaped himself and his advisers. It must be remembered that the forms of transactions possible are legion, and one cannot say that a leased business must be of a stereotyped nature, making it easy for the minister to determine from the beginning that the transaction should not be one to come under the legislation.

On the other hand, as one can readily understand, there is the need for non-eligible financial institutions, of which we have a great number in Canada, to acquire goods from Canadian companies for the purpose of leasing them to Canadian businesses. Because of the wording of the legislation, the minister knows that a subsidiary, or a participant in a syndicate with a non-eligible person, causes the whole group to become non-eligible. For instance, let us look at the equipment leasing organizations that provide equipment leasing facilities for a number of the chartered banks. They are in competition with Citibank of New York, through Mercantile, but the Mercantile Bank is able through its affiliates—not its subsidiaries—owned by Citibank of New York and operating in Montreal, to engage in very extensive equipment leasing operations. And remember that the transactions between Citibank and its affiliates in Montreal are not subject to screening by the minister, but on the other hand transactions engaged in for the Canadian banks, in the Canadian context, could be subject to screening.

• (2150)

The acquisition of the equipment from Canadian companies—and in a road-building firm, say, this is the whole of their business—would be a transaction that would be subject to the screen. The minister says no, but I am willing to put a nickel on it that this will be the type of practice that would go through the screen. This is what concerns me, Mr. Speaker, that the actual practice will not be what the minister says it is going to be, but a lot tougher. What is done is to make Canadian business operations competitive with foreign business operations so that Canadians will not have to go and lease in the United States.

What about our Canadian multinationals, our oil drilling companies? They are going to go abroad. They have to buy equipment and finance it. I would not be surprised if it became to the advantage of our Canadian multinational corporations operating abroad to acquire their equipment abroad because of these requirements. I have always tried to point out that Canadian companies operating offshore will find it to their advantage to enter into transactions in other countries instead of acquiring Canadian machinery. This will now not be subject to any screen or control. I am concerned that by creating difficulties in Canada we are making it much more difficult for Canadian business to operate.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): The minister can shake his head, but I want him to get out and talk to business-

men who engage in these practices. The minister should be the first one to encourage Canadian business to operate abroad. He should be the first one to hit his colleague, the Minister of Finance (Mr. Turner), over the head so that Canadian companies operating abroad are not at a tax disadvantage with American companies. This is all part of the package. It is not only for taxation that you can discourage Canadian operations—

Mr. Pepin: The answer I gave is very clear.

Mr. Lambert (Edmonton West): The point is that in his explanation the minister cannot guarantee this. If there is a dispute, the court will have to decide what the law is. A court cannot consider anything that the minister says in this House. I think the legislation should be amended in order to make sure that the court could make the appropriate interpretation.

I am sure the amendment put forward by my friend, the hon. member for Halifax-East Hants (Mr. McCleave), is not one that conceals any traps. It is a sensible amendment as suggested by counsel, put forward for the sales finance companies on behalf of the efficacy of Canadian business. It is not trying to circumvent Canadian legislation for some ulterior purpose.

I hope that these amendments will receive real consideration from the minister and his officials and that perhaps tomorrow, if we are going to be back on this legislation, they can tell us that they have looked at it again and are prepared to reconsider it. The minister showed an example this afternoon by looking at the amendment of my colleague, the hon. member for Fundy-Royal (Mr. Fairweather), and coming back with a modified version which in some ways met part of our desires. That is what I suggest he should do now. On that basis perhaps we could call it ten o'clock.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, before we call it ten o'clock I wonder if I might raise a point of order with respect to the grouping of some of the motions that are ahead of us which Your Honour announced a short while ago. You will recall that it was suggested that motions Nos. 13, 14 15 and 16 should be grouped for debate. You did indicate that there could be separate votes on 13 and 14 and that then a vote on 15 that would cover 16.

The point I wish to make is that the substance of motion No. 14 goes in the opposite direction from some of the others in that group. For the same reason, this afternoon the Chair was willing to separate No. 5 on the one hand from Nos. 6, 7, 8 and 9 on the other. I should like to ask that motion No. 14 stand by itself both for debate and for the vote.

Mr. Deputy Speaker: Hon. members have heard the hon. member for Winnipeg North Centre (Mr. Knowles). Of course, the suggestions which I made earlier were only suggestions and were for the comment of hon. members. If hon. members agree, the Chair will be prepared to make a group as the hon. member for Winnipeg North Centre has suggested or, alternatively, put the matter over to give hon. members an opportunity to consider his remarks.

[Mr. Lambert (Edmonton West).]

Mr. Lambert (Edmonton West): Mr. Speaker, I would certainly agree that No. 14 should not be in the group of Nos. 13 to 16 inclusive. As a matter of fact, the spirit of No. 13 is quite different from that contained in Nos. 15 and 16. The context shows that No. 13 would exclude from the operations of this act a provincial government as specifically exempted by order in council of the provincial cabinet. I quite agree, and would propose to Your Honour, that Nos. 13 and 14 could be handled separately both for debate and votes. Nos. 15 and 16, which are twins, could be considered as one for debate and for votes or decisions.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, this meets our point.

Mr. Deputy Speaker: As the Chair understands, motion No. 13 would be considered and disposed of separately; motion No. 14 would be considered and disposed of separately; motions Nos. 15 and 16 would be considered together, and a vote on No. 15 would dispose of No. 16. Is that agreed?

Some hon. Members: Agreed.

Mr. McCutcheon: A further point of order, Mr. Speaker. I wonder if I could ask the government House leader, or whoever is in charge, what the order of business would be tomorrow supposing that this legislation would be concluded. Do we assume that we go back to this tomorrow?

• (2200)

Mr. Lang: Mr. Speaker, I think we can assume that we will continue tomorrow with the bill we are discussing.

Mr. McCutcheon: Mr. Speaker, may I ask what else is on the agenda? It would be nice to know.

Mr. Lang: Mr. Speaker, I believe the agenda is subject to a number of uncertainties. The available items have been listed before and they will be selected as seems fit. The FISP bill is obviously near the top of the list. Some think that wiretapping and election expenses might be considered in the forenoon, if the House agreed to sit then.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, has the minister found a sophisticated way of saying he does not know?

PROCEEDINGS ON ADJOURNMENT MOTION

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

POLLUTION—DATE OF PUBLICATION OF REGULATIONS UNDER NORTHERN INLAND WATERS ACT

Mr. Doug Rowland (Selkirk): Mr. Speaker, I shall be brief this evening and need not take my full seven minutes. I have referred to this subject continually in the hope that in the end action will be taken. I raised this matter on May 1, again on May 24, and I am raising it once more tonight. On May 24 I directed the following question

to the Minister of Indian Affairs and Northern Development (Mr. Chrétien), as reported in *Hansard*, page 2519:

> Mr. Speaker, my question is addressed to the Minister of Indian Affairs and Northern Development. On May 1 I asked him a question on a matter of some urgency in light of recent oil finds in the Arctic, namely, when the regulations under the Northern Inland Waters Act would be completed and published. The hon. gentleman took the question as notice and undertook to look into the matter. I wonder whether he is now in a position to reply?

The minister replied as follows:

> Mr. Speaker, the act has been proclaimed and I understand that the regulations are being considered by the two councils which have been established in order to implement them. I think that a meeting has been held last week and as soon as the report is submitted, we shall be able to proclaim these regulations. Meanwhile, officials of my department have advised the companies that they should abide by the regulations as if they were actually in force.

I think it is indicative of the government's commitment to the preservation of the Arctic ecology that the minister said, when I first asked my question on May 1, that he was not sure of the status of the regulations—regulations which he had promised would be in force by the end of 1971. He thought that they were in force. His answer on May 24 confirmed information which I had received, to the effect that the regulations had not been promulgated. Moreover, his answer gave no definite indication of just when they would be promulgated and when the regulations would come into force. I hope that information will be forthcoming this evening. I further hope that the actual date of the proclamation of these regulations will soon be here.

The present situation, in which companies are advised to act as if the draft regulations are already in effect, is obviously untenable on two grounds. First, it is dangerous for a government to require any of its citizens, corporate or individual, to follow a course of action which has not been prescribed by law. Second, and this is perhaps more important in the short run, the government would have no legal recourse in the event that a company operating in the north chose to ignore the draft regulations and, in ignoring them, caused ecological damage. The government would not have any legal recourse at all, as the required regulations have not been promulgated as the law requires.

I submit, Mr. Speaker, that the heightened rate of activity in the north demands that the government should act immediately and bring into effect the regulations which will make the Northern Inland Waters Act an effective piece of legislation. The balance within the ecology of the north is far too delicate to permit the possibility of error; indeed, so delicate is it that one wonders what can possibly be in the mind of a government which permits major efforts to exploit the wealth of the north to take place before laws and regulations to govern such activities have been devised.

I hope the parliamentary secretary will be able to present to the House tonight concrete information with respect to the expected date of the publication of the regulations which will flesh out the bones of the Northern Inland Waters Act, regulations which are urgently required to protect the northern environment.

Mr. Allen B. Sulatycky (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, in reply to the hon. member for Selkirk (Mr. Rowland) I can give the House the assurance that the regulations should be promulgated this summer. The draft regulations are well advanced. They have been considered by both the new territorial water boards, and their recommendations are being incorporated. Shortly, a draft will be ready for review and comment by the interdepartmental committee on water. Legal drafting by the Department of Justice is expected to get under way by early summer.

The timing of these events still conforms to our original schedule which called for promulgation of the regulations this summer. It should be noted that the primary function of the Northern Inland Waters Act is to license water use in the north. In doing so, of course, precautions against the threat of pollution from the water use can be stipulated by the licensing authority, which is the Minister of Indian Affairs and Northern Development (Mr. Chrétien) acting on a recommendation from the appropriate territorial water board.

The water boards were created with proclamation of the act on February 28, 1972, and are functioning within the authority of the act at the present time. A public hearing before the Yukon water board in connection with the proposed Aisihihik power development has recently been held. We are confident that this mechanism is adequate to deal with water management problems on a short-term basis pending promulgation of the regulations this summer.

PENSIONS—CANADA PENSION PLAN—CONTRIBUTIONS BY SELF-EMPLOYED—POSSIBILITY OF RELIEVING PROVISION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, on June 26 I addressed a question to the Minister of Finance (Mr. Turner). I asked whether he was aware that self-employed Canadians were obliged to pay the entire amount of their Canada Pension Plan contributions as opposed to Canadians who were not self-employed and who are only required to pay half. I asked whether the minister had given any thought to giving tax relief to this particular group. I received no answer to this question, and since I thought it was a matter of some interest I am taking the liberty of making some further remarks on the subject tonight.

It seems to me, generally speaking, that the Minister of National Health and Welfare (Mr. Munro) opened the lid of a veritable Pandora's box of complaints when he made his now famous statement that the extra revenue to help pay increased welfare costs in this country would have to come from the middle-income class. Middle-income Canadians, though their needs are admittedly less than those of many minority groups and disadvantaged, poverty-stricken Canadians, are being neglected by this administration. One segment of this group, the self-employed, is being discriminated against in a fundamental way. Those who belong to it are in effect being penalized to the extent that they are obliged to contribute to their own retirement benefit through the Canada Pension Plan.

While there may be some advantages left in being self-employed, they are becoming increasingly few. In many instances they are illusory. Constantly badgered by bureaucrats for statistics, caught in arbitrary decisions as to taxation policy, victims of conflicts between federal and provincial administrations, the self-employed Canadian, as things now stand, cannot claim in respect of contributions toward the Canada Pension Plan and in this respect he would be far better off working for someone else. For example, according to the information supplied to me, the average self-employed Canadian makes $6,000 a year, less in many instances, than his key employees. Yet if he pays half of that employee's pension plan contributions of, say, $160, if that is the bracket in which the employee happens to be, he is able to deduct approximately $80 as a business expense. On the other hand, his own personal contribution, if it should also be $160, must be entirely paid by himself and he cannot deduct any part of it.

In my view, this is a type of discrimination which is totally unjustifiable. The government is exploiting a particular group of Canadians. "Exploiting" may be an unfair term, on reflection, but I suggest the government is not treating fairly the average, hardworking middle-income Canadian who is in many instances doing more than his share of keeping this country's economy going.

The Minister of National Health and Welfare, in a moment of candour said, as I mentioned earlier, that it is this group of Canadians who must shoulder an increasing amount of the load to pay for social benefits—in effect, that big business must be given no more responsibility in this regard because any such action would dull the incentive to expand under present budgetary policy.

• (2210)

Somewhere or other the minister and the government have got their priorities confused. As far as cost is concerned, I am not suggesting that it would be proper for the government to contribute directly, as does an employer, to self-employed Canadians' Canada Pension Plan contributions, except I suppose in cases where the government is the actual employer.

While on this subject, it is interesting to look at the revenue that is involved. Assuming that there are approximately 400,000 self-employed Canadians, and that for the sake of statistics their average contribution is $160 a year, if you take half of that sum as the revenue figure, theoretically the contributions would amount to about $32 million. This is about three times the budget of Information Canada, a singularly useless administrative monster, or whatever you want to call it, indeed perhaps the most useless creation of any government.

I am suggesting that the government give equity to self-employed Canadians by allowing them tax credits or deductions for part or all of their Canada Pension Plan contribution. I feel very strongly that every Canadian should have an equal opportunity to contribute toward his or her retirement. I think this is a bad area in which to discriminate.

I am aware that it is possible to take advantage of the retirement contribution plan and that people are sufficiently well informed about it. I am also well aware that, despite my rather partisan remarks, the government is also not unaware of the problems facing middle-income Canadians. But this is an area in which the government should show some concern. When a self-employed person is trying to keep his business going and is facing the many demands that are made for statistics, and so on, by government, surely the very least that this administration can do is to explore ways and means of letting that person have the same opportunity to contribute to a national pension plan for his retirement as people who happen to be working for someone else.

[Mr. MacKay.]

Mr. Allen B. Sulatycky (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I am sure the hon. member is aware of the many reforms made by the government during the last few years which have benefited all classes of Canadians. However, I should like to thank the hon. member for the comments that he has expressed tonight, and I assure him that I shall draw them to the attention of the Minister of Finance (Mr. Turner) and the department. I know the hon. member realizes that this is a matter of government policy and that these matters are customarily dealt with by the Minister of Finance during his budget address.

GRAINS—POSSIBILITY OF INCREASE IN INITIAL PRICES

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I asked the responsible minister on June 14 whether he would consider adjustments to the initial price of wheat and barley, and whether he would give some consideration to adjusting the prevailing price for rapeseed sown by western farmers. the minister replied, at least as I understood it, in the negative.

In the very brief time at my disposal may I outline how the price of these grains has declined. The minister can check these figures either from the Wheat Board report or from the current edition of the *Western Producer.* No. 2 northern wheat is selling at Thunder Bay this year for $1.65-$\frac{5}{8}$ whereas a year ago it was $1.81. If the minister checks the Wheat Board report he will see the general trend from 1949 and 1950 to the present day and the very small interim or final payment that has been made in recent years. In view of the cost of production today, I think it is quite unreasonable to expect farmers to conduct their operations on the basis of the initial prices that are now set.

I would seriously suggest to the minister that this initial price should be increased and so put a floor under the earning power of the farmer. In reference to barley, I would say that the situation is much more grave since the decline in price of barley has been greater. About a year ago the minister added 10 cents and since then took half back. Let me point out that the prairie provinces are trying to do something to maintain feed prices within the provinces. They are very much concerned about the purchasing power left to the farmer through the sale of feed grains. The minister could do nothing more effective to assist these provinces and bolster the internal level of prices than to increase the initial prices under the Canada Wheat Board.

Finally, in respect of rapeseed I should point out to the minister that currently in the *Western Producer,* Thunder

Bay prices are quoted one day slightly under $2 and now $2.02, whereas a year ago it was $2.50½. When replying the other day, the minister said this was temporary. That is not really so. I would call the minister's attention to the fact that this decline has been constant since the beginning of the crop year. Some peaks have been hit but this price has gone down.

I do not see how the government can divest itself of the responsibility of maintaining the earning power of rapeseed. This is the same government that established a support price for soyabeans and sunflower seeds, yet refuses to move at all on rapeseed. A week ago when I moved to ask that this grain be given the protection of the Canadian Wheat Board, the minister announced before the vote that he would not support this and, indeed, his party voted against giving the farmers that protection. I fail to see how the government can justify leaving the rapeseed grower without a floor price and without any protection in view of the protection given other producers of oilseed crops. The government has given this support to other crops but the price of rapeseed is chaotic.

I have done some research and obtained Vancouver and Thunder Bay prices. There is one price at the crushing plants and there is a premium at some local elevator points. But the total quota system of the Canada Wheat Board is being used to force the farmer to deliver grain at his own cost to those areas where it is wanted.

I have looked up the closing in-store cash prices at Vancouver. The minister may say he would prefer another point and I do not blame him for that. If he can sort out the maze, God bless him. We find that the prices were $2.26, $2.21 and $2.77 for the crop years 1966-67, 1967-68 and 1969-70. As I pointed out to the minister, we are now looking at a price of $2.02 basis Thunder Bay—and it could be higher in Vancouver. Undoubtedly it is higher, and I know that because I use that market when I can. I would point out to the minister that the average farmer cannot get the Vancouver price because usually he has to settle for the prices quoted at Thunder Bay.

In respect of these three grains, regardless of volume, it is unrealistic to expect the western farmer to stay effectively in the grain business with these kinds of prices, and I suggest the minister take some action to correct the situation.

• (2220)

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, this year, for the second time, we announced initial prices on March 1 giving some advance warning before seeding to farmers about what these prices should be. Now the hon. member opposite comes along with a request to change them, and no doubt to change them again and again instead of simply appreciating the advantage of having these prices fixed at that date.

In fact, when we fixed these initial prices this year we increased the price of barley by five cents despite the fact, as the hon. member pointed out, that there were very definite weaknesses in the barley market. Indeed, at the present time the barley market is not as weak as it has been and this is why I pointed out to him that his point about continual downward prices is quite in error. In the case of rapeseed, the prices go up and down. This is, of course, the nature of the open market. The hon. member knows full well that our position on the rapeseed market is that the farmers can have the kind of market they want, and when they are able to express themselves plainly on the matter we will act accordingly.

Just the other day I had a letter from the rapeseed association saying that after having distributed some 50,000 copies of an analysis of marketing they hoped further time would be available to farmers to discuss the particular marketing techniques for that grain.

Is the hon. member saying the Wheat Board is not getting as much as it can for grain? He is not likely to say that. He does not normally say that. I would challenge him, if he did. The Wheat Board is doing an extremely good job. It is getting the best possible price for the grain. It is getting prices for grain which compete very favourably with what our competitors are getting. It would be more like the Tories would suggest we were making mistakes by selling at prices which are too low, because they would like to destroy the Wheat Board. But my hon. friend would not ordinarily do that. The Wheat Board gets from the market what it can. It does the best possible job, and I give it great credit. If prices are low, it is because of the world situation.

We are making record sales. I should like to tell the hon. member that today, on July 4, I believe I can say with confidence we have now exported more grain this year than we did in the total of last year, with four weeks left in the season. That is because of great action by the Wheat Board and by the trade generally.

In addition, of course, we are not leaving the farmer for his return on his grain alone to the proceeds of sales abroad. We instituted the two-price system. We have marketing development. We are supporting his sales by credit, and indeed our whole foreign policy supports the making of sales and helps the Wheat Board make sales on the farmer's behalf. We have put $42 million into the purchase of hopper-cars to help move this grain. Last winter we put $1.3 million into moving grain from Thunder Bay to eastern ports for export for the first time in history. And so it goes. We go on putting money from the treasury into the hands of the farmer to help him, and that is recognition that the amount he gets, notwithstanding the best possible job by the Wheat Board, is not enough.

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

HOUSE OF COMMONS

Wednesday, July 5, 1972

The House met at 2 p.m.

ROUTINE PROCEEDINGS

INDIAN AFFAIRS

FUNDING OF ORGANIZATIONS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I rise under Standing Order 43 to propose a motion dealing with a matter of urgent and pressing necessity, namely, the method of core funding of Indian organizations. It has been brought to my attention that offices of Indian organizations are experiencing great hardship and are in danger of having to close their doors because allocated funds are not being forwarded. Therefore I move, seconded by the hon. member for Vegreville (Mr. Mazankowski):

That the whole matter of funding of Indian organizations be referred to the Standing Committee on Indian Affairs and Northern Development for investigation and report.

Mr. Speaker: The motion proposed by the hon. member for Athabasca is submitted to the House under the terms of Standing Order 43 and requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the hon. member's motion cannot be put.

* * *

BUSINESS OF THE HOUSE

On the order: Introduction of Bills.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I have had some discussions with the opposition House leaders and it would meet the procedural circumstances at the moment if I could have consent now to calling introduction of bills just before orders of the day. In the meantime I would be happy to explain to my colleagues the necessity for this procedural delay until that time, and I will explain the situation then.

Mr. Speaker: I understand that the bill to which the hon. minister has referred will be introduced or presented for first reading at the end of the question period before we call orders of the day. Is this agreed?

Some hon. Members: Agreed.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

DREE GRANTS—BANKRUPT INDUSTRIES, 1970

Question No. 108—**Mr. Lambert (Bellechasse):**

1. What are the names and addresses of the industries that went bankrupt during the year 1970 after having received grants from the Department of Regional Economic Expansion?

2. In each case (a) what was the amount of the approved grant (b) what was the amount paid (c) what was the nature of the operations?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): 1. Abattoir Gérard Inc., Berthierville, Quebec.

2. Abattoir Gérard Inc. (a) $121,843, (b) $121,842, (c) Abattoir.

[*English*]

NUMBER OF GRAIN CARS MOVED OVER PGE RAILROAD, 1970-72

Question No. 455—**Mr. Horner:**

How many grain cars were moved over the PGE Railroad to the Ports of Vancouver and Prince Rupert each month during the crop years 1970-71 and 1971-72 (until March 1972)?

Hon. H. A. Olson (Minister of Agriculture):

1970-71		1971-72	
VCR	PGE	VCR	PGE
August 1970	25	August 1971	37
September	16	September	20
October	32	October	40
November	29	November	23
December	23	December	16
January 1971	8	January 1972	8
February	17	February	5
March	16	March	1
April	6		
May	6		
June	13		
July	9		
Total	200	Total	150

Questions

GRAIN CAR UNLOADINGS—PORTS OF VANCOUVER AND PRINCE RUPERT

Question No. 456—**Mr. Horner:**

How many grain car unloadings were there at the Ports of Vancouver and Prince Rupert each month during the crop years 1970-71 and 1971-72 (until March 1972) by CN and CP Railways?

Hon. H. A. Olson (Minister of Agriculture):

1970-71				1971-72		
VCR	CN	CP	PRUP CN	VCR CN	CP	PRUP CN
August 1970	2,277	5,386	306	4,821	8,000	776
September	2,263	5,798	542	4,005	7,140	572
October	3,415	6,286	456	4,383	6,768	295
November	2,703	5,470	101	4,854	7,845	456
December	2,637	3,960	97	3,982	7,581	544
January 1971	3,612	5,001	512	3,984	3,210	245
February	4,903	5,971	763	5,345	5,972	699
March	5,674	4,788	871	5,771	4,633	1,152
April	4,994	5,806	669			
May	5,537	7,441	419			
June	5,234	8,244	1,067			
July	4,475	8,604	789			
	47,724	72,755	6,592	37,145	51,149	4,739

FEDERAL PAYMENTS FOR CANCER RESEARCH

Question No. 491—**Mr. Burton:**

How much has the government spent for cancer research in each of the past four fiscal years?

Hon. John C. Munro (Minister of National Health and Welfare): Under the Public Health Research Grant program, the National Health Grant program, and the Medical Research Council, federal payments for cancer research were made as follows for the fiscal years 1968-69 to 1971-72: 1968-69, $2,660,436; 1969-70, $3,498,972; 1970-71, $4,126,339; 1971-72, $4,793,597. In addition, based on projects submitted by the provinces, federal payments totalling $9.2 million in 1970-71, $10.3 million in 1969-70 were made under the Health Resources Fund program to assist the provinces in the construction, acquisition and renovation of research facilities where research activities will be carried out in the various fields of health, including cancer. The analysis of federal payments for the fiscal year 1971-72 is not yet completed.

DREE—GRANTS TO FIRMS IN BEAUCE CONSTITUENCY

Question No. 498—**Mr. Rodrigue:**

Were funds invested by the Department of Regional Economic Expansion in the constituency of Beauce since the establishment of the Department and, if so (a) what was the total amount (b) what is the complete list of firms that received grants (c) what amount was granted to each firm?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Yes. (a) As of May 31, 1972, net accepted offers of incentive grants totalled $2,152,540. As of the same date, actual disbursements under the terms of these offers totalled $1,426,057.

[Mr. Olson.]

(b) Companies accepting incentive offers	(c) Amount of accepted offer $
Henri Bonneville & Fils	19,889
Valley Shoe Co.	16,582
Tex-El Inc.	76,603
St-Georges Métal	33,846
Turcotte & Turmel Inc.	115,895
Société Co-op Agric. de St-Joseph-de-Beauce	60,872
Jos Côté Inc.	5,478
LBP Inc.	67,907
La Chemise Lapointe Inc.	17,331
Beauce Machine Shop Inc.	17,408
Produits de Cèdres	10,342
Glendale Mobile Homes (Que.)	57,122
François Giguère Inc.	54,902
St-Georges Carpet Mills	47,598
Céramiques de Beauce	63,595
Chaudière Chipping Center	44,198
Les Lainages Victor Ltée	99,443
Industries Rancourt	95,753
Meunerie St-Frédéric	24,051
St. Joseph Mfg. Co.	66,287
Precision C Inc.	1,493
St. George Shoe Co.	20,773
Kennebec Wood Products	15,659
Unique Art Inc.	19,325
H. P. Gilbert & Fils	10,502
Beauce Machine Shop Inc.	18,300
Manufacture Frameco Ltée	12,150
St. George International Inc.	61,000
Les Produits Arbex Ltée	24,579
Dionne Spinning Inc.	65,000
Boulangerie Doyon Inc.	17,911
Manac Inc.	20,589
John Breakey Limited	131,500
Moto-Jet (1970) Ltée	53,055
Vachon Inc.	160,407
Beauce Plastique Inc.	45,611
Plastiques Bovac Ltée	82,551
Filature Lemieux Inc.	12,507
L'Éclaireur Ltée	8,808
Clermond Hamel Ltée	100,263
Victor Woollen Products	46,900
Les Maisons Mobiles (Idéal) Ltée	176,000
Triffle Goulet & Fils Ltée	52,555

[*English*]

DREE—GRANTS TO FIRMS IN KAMOURASKA CONSTITUENCY

Question No. 512—**Mr. Dionne:**

What amounts were granted by the Department of Regional Economic Expansion in the constituency of Kamouraska?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): The following companies accepted offers under the Area Development Incentives Act and the Regional Development Incentives Act:

Name	Amount of Incentive	Amount Disbursed
A.I.D.A.	$	$
P. E. Boucher Ltée	36,668	36,668
Pneus V.S.P. Inc.	86,286	80,580
R.D.I.A.		
La Boulangerie La Pocatière	12,200	Nil
P. E. Boucher Ltée	919,050	Nil

[*English*]

*ALLOCATION OF FUNDS FOR 1972 OPPORTUNITIES FOR YOUTH PROGRAM

Question No. 514—**Mr. Burton:**

Has an initial allocation of funds been made by province for the 1972 Opportunities for Youth Program and, if so, what is the allocation for each province?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I have this reply here. It is rather lengthy. I wonder if it might be tabled and reported in *Hansard* as if read.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

[*Editor's Note: The reply above referred to is as follows:*]

An initial target allocation was made by regions in consultation with the Department of Manpower and Immigration and with Treasury Board for the 1972 Opportunities for Youth program. This initial target allocation was made in terms of regional disparities in projected levels of student employment based on information provided by Canada Manpower.

Regions	Initial Target Allocation (per cent)
Quebec	38
Prairies and North-Western Territories	14
Ontario	22
British Columbia and Yukon	10
Atlantic	11
National	2
Reserved for future allotment to take account of demand	3

CIGARETTE ADVERTISEMENTS

Question No. 586—**Mr. Mather:**

Is consideration being given to requiring the inclusion of a health warning in all permitted print media cigarette advertisements?

Hon. John C. Munro (Minister of National Health and Welfare): Yes. The Department is giving consideration to requiring the inclusion of a health warning in all permitted print media cigarette advertisements, as well as other possible ways of combatting the detrimental effects caused by cigarette smoking. It was with the encouragement of the Department that the Canadian Tobacco Manufacturers Council recently decided to include a health warning on all new stocks of cigarette packages. The Department has also placed before the House legislation which it considers to be a significant measure towards controlling the injurious effects of cigarette smoking.

OPPORTUNITIES FOR YOUTH PROJECTS

Question No. 630—**Mr. Burton:**

1. What is the total amount of money made available by the government for Opportunities for Youth projects in 1972?

2. Of this amount, what allocation was made available for distribution within the Province of Saskatchewan, and what percentage is this of the total?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): 1. $31,071,380.00

2. Opportunities for Youth projects are being recorded by regions. The allocation made available for distribution within the Prairie Provinces and the Northwest Territories was $4,350,126 and represents 14 per cent of the total amount of money granted to Opportunities for Youth projects in 1972.

[*English*]

EXPORTS OF WHEAT TO MEXICO

Question No. 642—**Mr. Dinsdale:** (Supplementary)

1. How much wheat has been supplied by Canada to Mexico during each year since 1968?

2. Of this, what proportion does this represent of that country's total wheat import?

3. Did the Wheat Board make any offers of Canadian wheat to the *Compania National de Subsistencias Populares* (CONASUPO) during this period?

4. Does Canada have international suppliers and brokers representing her in connection with the sale of seed, wheat or other cereals to Mexico?

Hon. Otto E. Lang (Minister Responsible for the Canadian Wheat Board): 1, 2, 3 and 4.

Since the 1963-64 crop year, with the exception of 1968-69 when a negligible quantity (1,000 tons) was imported, Mexico has been a net exporter of wheat. The Canadian Wheat Board and private trade continue to represent Canada's interest in this and other markets for Canadian grain and oilseeds. No business in wheat sales to Mexico was concluded during the period in question. This year Mexico has held some tenders for imports of wheat but to date Canadian exporters have not been successful bidders.

CMHC ASSISTANCE—HOME FOR THE AGED, HAVRE ST-PIERRE

Question No. 660—**Mr. Blouin:**

What was the contribution of the government or of Central Mortgage and Housing Corporation toward the construction of the home for the aged in Havre St-Pierre, which was completed in 1971?

Hon. Ron Basford (Minister of State for Urban Affairs): Central Mortgage and Housing Corporation approved a loan of $392,000 in August, 1969, to assist in the financing

of a home for senior citizens in Havre St-Pierre. This provides 56 hostel beds.

LOCAL INITIATIVE PROJECTS

Question No. 668—**Mr. Lambert (Bellechasse):**

1. What was the percentage of local initiative projects submitted by individuals which were proposed and accepted across Canada?

2. What was the percentage of projects submitted by municipalities which were accepted and carried out?

[*Translation*]

Hon. Bryce Mackasey (Minister of Manpower and Immigration): 1. The percentage of Local Initiatives projects submitted by individuals which were proposed and accepted across Canada is 38.6.

2. The percentage of projects submitted by municipalities which were accepted and carried out was 45.1.

[*English*]

WELFARE RECIPIENTS IN CANADA

Question No. 669—**Mr. Caouette:**

1. How many welfare recipients are assisted by the government in Canada?

2. How many welfare recipients are assisted by the government in each province?

Hon. John C. Munro (Minister of National Health and Welfare): 1. Under the terms of the Canada Assistance Plan, the federal government shares in the costs to provinces of assistance and welfare services. Provinces are responsible for administering social assistance programs. The same procedure is followed in respect to the Blind Persons Act, Disabled Persons Act and Unemployment Assistance Act.

2. The total number of recipients of benefits under the above programs, as of December 1971, were 608,987. (Recipients refers only to family heads and single persons and, therefore, does not include dependents). In Newfoundland, there were 28,001 recipients. In P.E.I. 3,567 recipients. In Nova Scotia 21,944 recipients. In New Brunswick 21,741 recipients. In Quebec 203,380 recipients. In Ontario 149,543 recipients. In Manitoba 36,397 recipients. In Saskatchewan 21,454 recipients. In Alberta 34,575 recipients. In B.C. 79,918 recipients. In N.W.T. 7,338 recipients. In Yukon 1,119 recipients. The Northwest Territories has not yet signed an agreement with the Canada Assistance Plan. Social assistance costs are consequently covered under the Unemployment Assistance Act.

LOCAL INITIATIVES PROGRAM

Question No. 680—**Mr. Lambert (Bellechasse):**

1. Who was responsible for analyzing, accepting or rejecting projects submitted under the Local Initiatives Program?

2. What criteria were used to examine and accept the projects?

3. Were special and essential standards used to decide which projects would be accepted and, if so, (a) which standards (b) were they known to the public before the projects were submitted?

[*Translation*]

Hon. Bryce Mackasey (Minister of Manpower and Immigration): 1. (a) For those projects under $75,000, the regional offices for the Department of Manpower and Immigration in Halifax, N.S., Montreal, Que., Toronto, Ont., Winnipeg, Man., and in Vancouver, B.C., were responsible for analysing, accepting or rejecting projects submitted under the Local Initiatives Program. (b) For those projects over $75,000, a preliminary assessment was conducted by the staff referred to in 1(a) and then dispatched to headquarters along with their recommendations. At departmental headquarters, these projects were re-assessed by senior project officers prior to submission to an executive board which made recommendations to the minister for his approval or rejection.

2. The criteria used to examine and accept projects were announced by the minister in the House on October 27, 1971. A further announcement was made on December 8, 1971 regarding an amendment pertaining to man-months. In addition to the foregoing, public information releases were carried by the media and all LIP applicants or prospective applicants were provided with detailed printed instructions and the criteria. The criteria involved were tabled in the House of Commons on October 27, 1971.

3. No.

[*English*]

WHEREABOUTS OF GUYANESE VISITORS

Question No. 700—**Mr. Macquarrie:**

1. Has the Department of Manpower and Immigration discovered the whereabouts of the 52 Guyanese visitors who were not aboard their return charter flight from Toronto during the week of June 12?

2. Have any of these visitors applied for landed immigrant status?

3. If any have applied for landed immigrant status what has been the response of the Department?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): 1. The Department of Manpower and Immigration is unaware of the present whereabouts of thirty-three of the fifty-two visitors who failed to depart on the flight in question.

2. Yes. 19.

3. These applicants are being processed in the same manner as any visitor who has applied to remain permanently.

* * *

QUESTION PASSED AS ORDERS FOR RETURNS

GRANTS FOR MENTAL HEALTH RESEARCH

Question No. 1—**Mr. Orlikow:**

1. In each of the past three years (a) how much money was distributed in the form of grants for research into the problems of mental health (b) how many grants were made to projects in each province (c) what was the total amount of the grants paid out in each province?

2. In each of the past three years (a) how many requests for grants for research into the problems of mental health were made by researchers in each province (b) what was the dollar value of the requests from each province?

Return tabled.

FEDERAL ASSISTANCE TO CANADA COUNCIL FOR SOCIAL DEVELOPMENT

Question No. 171—**Mr. Schumacher:**

1. Does the federal government contribute financially to a body or organization known as the Canada Council for Social Development, or known under any other name, set up for the purposes of providing permanent programs for transient youth and, if so, what is the correct name, address and authority of such body or bodies?

2. What specifically are the aims, purposes and programs administered by such body or bodies?

3. What is the cost of each program and in each case, how much is borne by the federal government?

4. Where specifically are such programs being carried out, and by whom in each case?

5. What remuneration of any nature is paid to any individual or individuals in each case?

Return tabled.

TRADE DEVELOPMENT PROGRAMS

Question No. 461—**Mr. Nystrom:**

Are there any trade development programs which are identified with a particular region of Canada and, if so, what are examples of programs which have specific benefits to the Province of British Columbia, to the Prairies, to the Province of Quebec and to the Atlantic Region?

Return tabled.

• (1410)

MOTIONS FOR PAPERS

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I ask, Mr. Speaker, that notices of motions for the production of papers be reserved.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

ORAL QUESTION PERIOD

Mr. Speaker: The hon. Leader of the Opposition.

Mr. Stanfield: Mr. Speaker, my questions relate to the dock strike and as the minister is not here and a bill is to be introduced I shall defer them.

FINANCE

BUDGETARY MEASURES—ISSUANCE OF REGULATIONS RESPECTING DEPLETION ALLOWANCES—DEFINITION OF "MANUFACTURING"

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is addressed to the Prime Minister in the absence of the Minister of Finance. In light of the survey businessmen in the country conducted recently in which some doubt was expressed concerning the efficacy of the budgetary measures, particularly depletion allowances, will the Prime Minister advise or consult with the Minister of National Revenue and others involved concerning when the regulations will be coming out in respect of depletion allowances in light of the fact that officials of the Department of Finance say it will be months, and will he try to have established a definition of the word "manufacturing" which apparently is to be left to the courts?

Right Hon. P. E. Trudeau (Prime Minister): I will gladly take notice of the question, Mr. Speaker.

EFFECT OF BUDGET ON ALLEVIATING UNEMPLOYMENT—GOVERNMENT INTENTION RESPECTING FURTHER MEASURES

Mr. Lambert (Edmonton West): Would the Prime Minister also take cognizance of the results of this very wide survey across Canada which shows that much less than 50 per cent of the people consulted felt that the budget would do anything for unemployment? In light of that, is it the intention of the government to re-examine the situation in view of what was said during the budget debate, and now confirmed, and to bring forward further measures say in September when the House reconvenes?

Mr. Trudeau: I think we might want to examine the survey first, Mr. Speaker.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, in view of the fact that 50 per cent of the businessmen do not think the budget is likely to do anything about unemployment, will the Prime Minister consult with the Minister of Finance to see whether he would introduce measures to increase the demand side of the economic curve by reducing taxes for individual taxpayers?

Mr. Speaker: The hon. member for Winnipeg North Centre.

* * *

PENSIONS

AMENDMENTS TO QUEBEC PENSION PLAN—EFFECT ON UNIFORMITY WITH CANADA PENSION PLAN—GOVERNMENT ACTION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. In view of the serious situation that will develop in Canada if the Canada Pension Plan and the Quebec Pension Plan get out of line, and in view of the fact that the Quebec National Assembly has passed a bill to amend the Quebec Pension plan effective January 1, 1973, may I ask the minister what steps the federal government is taking to try to cope with this situation?

Hon. John C. Munro (Minister of National Health and Welfare): Yes, Mr. Speaker. I had an opportunity to talk very recently to the minister responsible in that province. I do not think there are any changes in the Quebec Pen-

sion Plan that are that much out of line. They have the same general thrust as the ones we recommended in the white paper. I am very hopeful we can still preserve uniformity and can get together with the other provinces and come up with changes to the Canada Pension Plan that may fit in very well with what is proposed in Quebec. If there are things proposed as a result of discussion with the other provinces that are not in the Quebec bill, I do not anticipate that that will preclude changes there. In other words, I do not think the prospect is all that dismal. In fact, I am relatively optimistic that uniformity can be preserved.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, as a supplementary question may I ask the minister if he will convene a meeting of the appropriate ministers from the other provinces very soon in the hope that plans can be worked out so that the nearest possible approach to uniformity may be achieved before January 1?

Mr. Munro: Yes, that is our aim, to try to meet the January 1 deadline in order to preserve uniformity. Whether the mechanics, in terms of the method of operating that the hon. member has suggested, are the best, I do not know right now. Certainly we are meeting with the other provinces; our officials are talking to their officials. If it seems that the matter could be speeded up by having all the ministers meet at one time as opposed to bilateral discussions, we would be prepared to consider that.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I have one more supplementary question. In view of the fact that one of the changes made in the Quebec Pension Plan is to increase to 3 per cent the rate of escalation of benefits after they have been put in pay, and in view of the fact that this was not in the white paper proposals of the federal government, will arrangements be made to include this matter in discussions with the provinces?

Mr. Munro: Whatever changes the government may be prepared to consider with reference to its original proposals would be matters of policy for us to consider, and we have not yet reached that state.

AMENDMENTS TO QUEBEC PENSION PLAN—PRIOR NOTIFICATION OF FEDERAL GOVERNMENT

Mr. David Lewis (York South): Mr. Speaker, I should like to ask the Minister of National Health and Welfare whether he or the federal government was informed about the intention of the Quebec authorities to propose these changes before they were introduced in the National Assembly in Quebec or whether to his knowledge the Quebec minister discussed them with the ministers of other provinces as well as or in place of the federal government?

Hon. John C. Munro (Minister of National Health and Welfare): In answer to the latter part of the hon. member's question, I am not prepared to say what discussions Quebec may have had with other provinces because personally I am not aware of them. So far as the first part of the question is concerned, I think it would be fair to say that we had some notice that Quebec was going to proceed, although perhaps not precisely as to the date on which they would be implementing the legislation.

* * *

[Translation]

REGIONAL ECONOMIC EXPANSION

JAMES BAY HYDROELECTRIC PROJECT—INQUIRY RESPECTING PARTICIPATION OF FEDERAL GOVERNMENT

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I wish to direct a question to the Minister of Regional Economic Expansion.

Would the minister tell us whether the central government contributes one way or another to the James Bay development project or if it is left entirely to the province of Quebec?

Hon. Jean Marchand (Minister of Regional Economic Expansion): We have not entered into shared programs with the province of Quebec. That province proceeds alone with the development of James Bay. The Quebec government has indicated to us that it would make special requests, including one for the establishment of an airport, for example, but those are matters which will be considered by every department involved and not exclusively by mine.

* * *

[English]

TAXATION

REASONS FOR JOHN WELDON NOT BEING REAPPOINTED TO APPEAL BOARD

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Justice. Would he take the first opportunity on motions, preferably tomorrow, to outline to the House why Mr. John Weldon, whose effectiveness as a member of the Tax Appeal Board has never been questioned, was not reappointed to serve until the age of 70, six years from now, when two other members of the same board, Mr. St-Onge and Mr. Frost, have both been reappointed to serve partial terms until the age of 70?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I am not sure that it would serve any purpose to analyse in detail the reasons for making a judgment concerning the appropriateness of a reappointment. In fact, of course, of the two men who were reappointed one was appointed by this government and one by a previous government of another party, as was Mr. Weldon. The judgment was made totally on the basis of ability in view of the new functions of the board, the present board having rather different functions from those of the old board.

Mr. Hees: Is this discrimination on purely political grounds part of the just society?

• (1420)

Mr. Speaker: Order, please. The hon. member knows that that question is clearly out of order.

INQUIRY OF THE MINISTRY

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, in view of the fact the Secretary of State is supposed to be present today and seems to be absent, I would like to ask the Prime Minister this question: Is the Secretary of State absent because he is still sulking from his public spanking or is he actually away on business or has the cabinet shuffle already occurred?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I thought I made it quite clear yesterday that the Secretary of State would not be changed during the lifetime of this government but that after we had won the election I would be shifting him along with other members of the cabinet.

Some hon. Members: Oh, oh!

Mr. Nowlan: I am sure many portfolios, other than that of the Secretary of State, will be changed after the next election, including that of the Prime Minister—and you too, High Park—

Some hon. Members: Oh, oh!

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CANADIAN BROADCASTING CORPORATION

REQUEST THAT NATIONAL NEWS BE TELECAST AT 11 P.M. IN ATLANTIC PROVINCES

Mr. J. P. Nowlan (Annapolis Valley): In view of the fact there may not be too many more days left in this part of the extended session, I would like to ask the Prime Minister seriously whether he would communicate with the Secretary of State, or directly with the CBC now that that labour difficulty has been settled, so that the national news can again be seen in eastern and Atlantic Canada at eleven o'clock instead of at twelve o'clock or one o'clock?

Right Hon. P. E. Trudeau (Prime Minister): I will gladly transmit the representation to the Secretary of State so he can transmit it to the CBC, so the hon. member can watch the news before going to bed.

* * *

CANADA PENSION PLAN

INQUIRY AS TO AMENDMENT OF REGULATIONS IN LIGHT OF DEDUCTION OF PENSION COST OF LIVING ADJUSTMENT FROM SOCIAL ASSISTANCE PAYMENTS

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Is the minister aware that in the city of Ottawa the six months' cost of living adjustment received by old age pensioners at the end of June has been deducted from social assistance payments and, if so, does the minister intend to change the federal regulations under the Canada Assistance Plan to prevent this kind of thing happening?

Inquiries of the Ministry

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, the regulations have been changed to permit the provinces to take whatever action they see fit as being an area within their jurisdiction in terms of social assistance levels, but there is no obligation for them to do so. I have already indicated that if I had my preference I would prefer that they did not.

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NATIONAL PARKS

PROPOSED QUEBEC-ONTARIO PARK—REQUEST FOR REPORT ON NEGOTIATIONS WITH PROVINCES

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I would like to ask the Minister of Indian Affairs and Northern Development whether he can report favourably on the negotiations he has been having over a period of time with his counterparts in Ontario and Quebec regarding a potential park in the Timiskaming area?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, up to now I made more progress with Quebec than with Ontario.

[*English*]

Mr. Peters: Mr. Speaker, I would like to ask the minister whether he is continuing his difficult negotiations with the province of Ontario on the possibility of establishing an interprovincial park in the Lake Timiskaming area?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I keep in touch with the governments of Ontario and Quebec, but I must tell the House that the main part of the park which interests the department most is obviously on the Quebec side, because lakes and mountains are on that side. We are always interested in obtaining part of the territory of Ontario if that is possible.

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[*English*]

FILMS

GOVERNMENT POLICY—DISTRIBUTION OF ANGLOPHONE FILMS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I also have a question for the Secretary of State who, according to the roster, is supposed to be here today, but in his absence I will direct it to the Prime Minister. Does the Prime Minister consider that the Canadian film policy as outlined yesterday by the Secretary of State will satisfactorily contribute to the development of the Canadian film industry without an effective distribution network for Anglophone films?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not grasp the import of the question, but I will certainly refer it to the Secretary of State for consideration and deep thought.

Inquiries of the Ministry

LABOUR RELATIONS

QUEBEC—LONGSHOREMEN'S STRIKE—GOVERNMENT APPROACH TO PROBLEM OF JOB SECURITY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Minister of Labour. It is a little unusual but I would ask for your indulgence in view of the fact that a bill is to be introduced later today and we will not receive printed copies of it for some time. The question might somewhat facilitate deliberations this afternoon in preparation for second reading. Can the minister indicate very briefly what approach he is taking to the solution of the problem of job security?

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, it is true that I intend to introduce a bill in the House later this day, hopefully later this afternoon. As I said yesterday, I should like to assist hon. members opposite as much as possible in these circumstances—

An hon. Member: Answer the question, then.

Mr. O'Connell: —but it would not be appropriate for me to disclose the contents or the principles of the bill until it is introduced in the House.

An hon. Member: Why not?

An hon. Member: You could certainly make a statement.

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THE MINISTRY

USE OF GOVERNMENT AIRCRAFT

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, may I direct a question to the Minister of National Defence. Can the minister assure the House that the ethical guidelines concerning the use of government aircraft during election campaigns, as outlined on June 30, 1972, at page 3682 of *Hansard*, were not violated by the Prime Minister on his visit to northeastern Ontario last weekend in the undeclared election campaign?

An hon. Member: Ben, the question is for you.

Mr. Speaker: The hon. member for York South. Is the hon. member for Lambton-Kent rising for a supplementary question?

Mr. McCutcheon: Yes, Mr. Speaker. Now that the minister is awake, may I ask him a supplementary question, or perhaps I should repeat the first one. Can the minister assure the House that the ethical guidelines concerning the use of government aircraft during election campaigns, as outlined on June 30, 1972 at page 3682 of *Hansard*, were not violated by the Prime Minister on his visit to northeastern Ontario last weekend in the undeclared election campaign?

Hon. E. J. Benson (Minister of National Defence): Mr. Speaker, I am sure that the use of government aircraft here is far better than that in the province of Ontario and that we do not violate these principles.

[Mr. Trudeau.]

Some hon. Members: Oh, oh!

Mr. McCutcheon: Will the minister assure the House that these guidelines, established as safeguards for just and equal election campaigning by all parties, will not be violated by the Prime Minister or any other minister in the present government? Never mind Ontario; they are doing all right.

Mr. Benson: Mr. Speaker, I can assure the hon. member that government aircraft in the Department of National Defence are used for government purposes with certain privileges provided for members of the opposition, including the Leader of the Opposition.

Some hon. Members: Oh, oh!

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, for my own information I should like to know under what conditions government aircraft are available to the Leader of the Opposition?

Mr. Benson: Mr. Speaker, there are certain regular flights of armed forces aircraft to Europe and western Canada and if members apply and there is space available we try to make it available to them whether they be in the opposition or on this side of the House.

Mr. Speaker: Order, please. There are three hon. members seeking supplementaries on this subject. I shall recognize the hon. member for Lambton-Kent and then the hon. member for Témiscamingue.

Mr. McCutcheon: Will the minister be kind enough to comment on the dead-heading of two of our largest helicopters from Ottawa to Earlton in order to fly the Prime Minister a distance of 30 miles and then dead-head back to Ottawa?

Mr. Benson: Mr. Speaker, we have aircraft available that have to carry out training flights and they carry them out.

Some hon. Members: Oh, oh!

Mr. Nowlan: It is a good thing the Prime Minister was on a training flight. He needs some training.

Mr. Speaker: Order, please. The Chair has recognized the hon. member for Témiscamingue.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a supplementary question to the Minister of National Defence.

The minister stated that aircraft and helicopters may be used also by members of the opposition. I have had the opportunity of travelling with cabinet members to Rouyn-Noranda because I had been invited. But how is it that when the Prime Minister visited Kirkland Lake, the hon. member for Timiskaming was not invited since he does represent the voters of that area?

• (1430)

[*English*]

Mr. Benson: Mr. Speaker, I understand that the hon. member for Timiskaming was already there.

Some hon. Members: Hear, hear!

Mr. Hees: A supplementary question, Mr. Speaker.

Mr. Speaker: Order, please. This is not a very fruitful exchange. If hon. members think we should return to this very high-flying subject later, perhaps we might do so. In the meantime the Chair will recognize the hon. member for York South.

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COMMUNICATIONS

BELL CANADA RATE INCREASES—REPORT BY MINISTER ON STUDY

Mr. David Lewis (York South): Mr. Speaker, may I go to another form of communication. May I ask the Minister of Communications whether he has completed his study of the information with regard to the Bell application for increased rates? Has he anything to report?

Hon. Robert Stanbury (Minister of Communications): Mr. Speaker, I have completed the examination and have concluded that there is no supportable basis in this case for substituting my judgment or that of the Governor in Council for the considered judgment of the independent regulatory body that is charged by Parliament with setting rates which are just and reasonable.

Mr. Lewis: Mr. Speaker, I must say I am not surprised at the answer. I suspected that the corporate attitude would be the minister's attitude. Would the minister have the courtesy as well as the courage to make a statement on motions in the next day or two informing Parliament of the reasons for his conclusion, the reasons for letting Bell Canada get away with the kind of gouging it has got away with for so long?

Mr. Speaker: Order, please.

REQUEST FOR INVESTIGATION OF ALLEGED FAILURE OF BELL CANADA TO FULFIL OBLIGATIONS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): I have a supplementary question, Mr. Speaker. Would the minister investigate why Bell Canada is not fulfilling its obligations to all parts of Canada, particularly to Newfoundland, and why its service is deteriorating?

Hon. Robert Stanbury (Minister of Communications): Mr. Speaker, I would be glad to inquire about that. I have asked the president of Bell Canada to meet with me as a result of reports that there has been some cutback from the original expectations for capital investment by the company during the current year. I will be glad to raise this question with him as well.

If I might reply briefly to the hon. member for York South, I think I would owe this House a more elaborate explanation if I were to interfere with the decision of the independent authority which Parliament has charged with the responsibility of setting rates.

BELL CANADA RATE INCREASES—AUTHORITY OF GOVERNOR IN COUNCIL TO RESCIND OR VARY

Mr. David Lewis (York South): I have a further supplementary question, Mr. Speaker. Has the minister looked into the lay-offs at Northern Electric owing to the failure by Bell Canada to make the level of investment it undertook to make? Also, is the Canadian Transport Commission to be left alone in its decision or, instead of that question, may I ask the minister to inform the House why Parliament placed in the Governor in Council the authority to rescind or vary these decisions if there are grounds? If there are not, we ought to know about it.

Hon. Robert Stanbury (Minister of Communications): Mr. Speaker, I am sure you would not want me to try to assess the motivation of Parliament in passing the National Transportation Act, but I have found no instance in which the Governor in Council has interfered with a Canadian Transport Commission decision on telecommunication rates.

An hon. Member: That interference is long overdue.

Mr. Stanbury: In fact, no petition has been received from any party to do so. I note that neither the hon. member nor his party made any representations at the hearings.

Mr. Speaker: Order, please. The hon. member for Notre-Dame-de-Grâce.

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ADMINISTRATION OF JUSTICE

QUEBEC BILL GRANTING NEW SEARCH, SEIZURE AND ARREST POWERS TO POLICE—GOVERNMENT POSITION

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I have a question for the Minister of Justice. Has the minister examined the bill, introduced in the Quebec legislature yesterday, granting new powers of search, seizure and arrest to the Quebec police? Will he say whether this bill contravenes the federal government's constitutional jurisdiction over criminal law?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I have not yet had time—

Mr. Speaker: Order, please. I am not sure whether I can interpret the hon. member's question as being one that seeks a legal opinion. If that is what the hon. member is asking now, then he appreciates, I am sure, that the minister cannot give that opinion at the present time. Perhaps I did not interpret the question correctly, and the minister might reply briefly in light of the procedural restriction I have indicated.

Inquiries of the Ministry

Mr. Lang: Mr. Speaker, we will be examining the legislation from the point of view of our own interest in it and can then communicate, of course, with the responsible authorities. The usual procedure in connection with legislation is for persons who have doubts about it to challenge it in the more ordinary way rather than for the government to give an opinion about it.

Mr. Andrew Brewin (Greenwood): I have a supplementary question, Mr. Speaker. If the minister's advisers advise him that this legislation is in fact unconstitutional and trespasses on the federal power, will he consider referring the matter to the courts?

Mr. Speaker: Order, please. The hon. member will appreciate, I am sure, that put in those terms the question is hypothetical.

DECISION OF BRITISH COLUMBIA COURT OF APPEAL JEOPARDIZING MAINTENANCE PAYMENTS ARISING FROM DIVORCE SUITS—GOVERNMENT ACTION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I address a question to the Minister of Justice with respect to the decision of the Court of Appeal of British Columbia about which I have questioned him twice. He said previously that he had not had time to complete his deliberations and examination of the decision. Recognizing that the Minister of Justice must walk deliberately, may I ask him whether he has had an opportunity to complete his assessment of that decision and what measures he proposes to introduce, if any, in light of it?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I am examining the decision carefully but I have not yet completed that task. I will walk deliberately, as the hon. gentleman recommends.

Mr. Stanfield: In the meantime some people could practically starve to death.

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AIRPORTS

ANNOUNCEMENT OF IMPROVEMENTS IN RIDINGS OF OPPOSITION MEMBERS

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, may I direct a question to the Minister of Transport. It arises from the considerable number of press releases being made for the minister by Liberal members in connection with airport improvements. Who is making the announcements in connection with improvements in the ridings of opposition members?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, so far as I am aware I have advised all members of the House, regardless of party, when I have had representations from them. If there has been any change in that, I will be glad to hear about it.

[Mr. Speaker.]

Mr. Aiken: Is the minister authorizing these press releases only in connection with members of the Liberal party through his own department?

Mr. Jamieson: No, certainly not, and I think the evidence of that is that a good many of these airports are being built in regions other than those represented by members on the government side of the House.

MOUNT HOPE, ONT.—PUBLICATION OF DETAILED EXPANSION PLANS

Mr. Lincoln M. Alexander (Hamilton West): I have a supplementary question, Mr. Speaker. Can the minister advise us whether any members of the government have made any announcements with respect to the detailed plans for the Mount Hope airport expansion, which is certainly long overdue? If so, will they be made public?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, yes, they will be made public. I believe I answered the hon. member a couple of weeks ago, indicating that a number of alternatives were being submitted. I have received those now. It is my intention to convey them, as I indicated to him at that time, to the various authorities in the Hamilton region with a view to getting their reaction to the alternatives.

Mr. Alexander: As we were told a month ago that there would be an announcement within three days, can the minister tell us when he will give some indication as to what these detailed plans are?

Mr. Jamieson: Mr. Speaker, if there were enough hours in the day I would be glad to say Friday but it may be Monday or Tuesday; I am not sure. As soon as I have time I will look over them myself and find out who the appropriate authorities are to whom they should be sent.

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EXTERNAL AFFAIRS

NUCLEAR TESTS BY FRANCE—NUMBER PLANNED—RESPONSE TO CANADIAN REPRESENTATIONS

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. Having in mind today's press reports indicating that there have been two French nuclear tests in the Pacific up to this time and that a further test is forecast, may I ask whether the government has information as to how many of these tests are planned, and what response the French government has made to the Canadian government's representations opposing the tests?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, unofficially we have reason to believe that there have been two tests. The French government refuses to confirm or deny this fact, but it seems to be common knowledge. I understand that they intend to continue the tests. They have received our representations but the only indication we have is that the French government intends to carry out its program of tests.

Mr. Mather: Is it the government's intention to add to its former protests in opposition to these dangerous tests?

Mr. Sharp: Mr. Speaker, not only has the government protested both in general and in particular but the House of Commons passed a resolution which has been presented to the French government. I cannot think of any stronger protest than that.

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UNITED NATIONS

CANADIAN POSITION ON VIEW OF SECRETARY GENERAL THAT BOTH GERMANYS SHOULD BE MEMBERS

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, my question is also addressed to the Secretary of State for External Affairs. Does Canada support the view of Kurt Waldheim, Secretary General of the United Nations, that both Germanys should be members of the United Nations? If so, what is this country doing to bring about this result?

• (1440)

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I indicated previously, and I think the Prime Minister has also, that we are hopeful that the negotiations between the Federal German Republic and the Democratic German Republic will be successful and that both Germanys will be able to come into the United Nations together having solved their problems so that they do not import them into the United Nations.

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AIRPORTS

TORONTO INTERNATIONAL—SUGGESTED ADDITIONAL DEPOT TO RELIEVE OVERCROWDING

Mr. A. D. Hales (Wellington): Mr. Speaker, my question is for the Minister of Transport. In view of the chaotic and terrible conditions at Toronto airport last weekend, I wish to ask the minister whether he and members of his department are giving consideration to establishing a depot completely separate or divorced from Malton so that arrivals and departures can take place in a manner very similar to the operation in London?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, the answer is yes. In point of fact, the new terminal has only been open for a few days. Last weekend, of course, was the worst weekend of the year. Air Canada established a new record for the number of passengers.

An hon. Member: What about baggage?

Mr. Jamieson: The hon. member may have lost his baggage. I regret that very much, but if he does not lose anything more than his baggage he is in good shape.

Some hon. Members: Oh, oh!

Mr. Jamieson: In any event, Mr. Speaker, we are examining the possibility of moving charters to a separate location as was done last year.

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NATIONAL DEFENCE

REPLACEMENT FOR ARGUS AIRCRAFT—COMPLETION OF NEGOTIATIONS FOR PURCHASE OF SCORPION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Minister of National Defence. It is in two parts. Can the minister indicate whether proposals for replacement of the Argus will be invited before the end of September? Also, have negotiations now been completed with the British government with regard to purchase of the Scorpion?

Hon. E. J. Benson (Minister of National Defence): Mr. Speaker, as far as can presently be determined the answer to both questions is no.

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REGIONAL ECONOMIC EXPANSION

STATUS OF POSSIBLE INCENTIVE GRANT FOR MILK MANUFACTURING COMPLEX IN SASKATCHEWAN

Mr. John Burton (Regina East): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. In view of the fact the Saskatchewan Department of Agriculture, together with producers and major dairy manufacturers in Saskatchewan, has been working for two years to revitalize the dairy industry, can the minister indicate whether his department is now reconsidering its reported rejection of an incentive grant for a milk manufacturing complex at one or more Saskatchewan points?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I will have to take this question as notice.

Mr. Burton: In view of the fact the policies of the Canadian Dairy Commission did a great deal of harm to the dairy industry in Saskatchewan, will the minister find some way to assist—

Mr. Speaker: Order, please. A question asked in those terms is not procedurally acceptable.

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TRANSPORT

TRENT AND RIDEAU CANALS—INQUIRY AS TO CREATION OF COUNCIL TO CONTROL WATERWAYS

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is for the Minister of Transport. It deals with the proposed creation of a council to govern the Trent and Rideau waterway systems. Can the minister advise whether a date has been set for creation of the council and when it is expected to take control of the waterways?

Mr. Speaker: I am not sure how urgent this question may be, but the Chair has to take into account the possibility that the House may adjourn later this week. Perhaps the minister might be allowed to reply.

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, the hon. member's question could more properly be directed to my colleague, the Minister of Indian Affairs and Northern Development, who has now assumed responsibility for the waterways in question.

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I will look into the question and reply tomorrow.

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NATIONAL REVENUE

AVAILABILITY OF INCOME TAX FILES TO OTHER DEPARTMENTS FOR PURPOSE OF INVESTIGATION AND LAYING OF CHARGES

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is to the Minister of National Revenue. Will the minister advise the House whether income tax files of individuals or corporations are examined by representatives of other government departments with a view to conducting further investigations or to establish charges in any of the courts under the jurisdiction of the federal government?

Hon. Herb Gray (Minister of National Revenue): Mr. Speaker, I believe the hon. member's question arises out of a newspaper report. All I can say at this point is that I have asked for a report on the matter. To the extent that I am able to do so, without transgressing the concept of not commenting on something which is sub judice, I would be prepared to make a report to the House.

Mr. Lambert (Edmonton West): Will the minister make a statement indicating precisely the extent of the authority of government officials outside of his department to examine Department of National Revenue files with regard to income tax returns of both corporations and private individuals?

Mr. Gray: As I have said, Mr. Speaker, I have asked for a report on the matter. I will be happy to see what further information I can provide.

[*Later:*]

Mr. C. Terrence Murphy (Sault Ste. Marie): Mr. Speaker, I have a supplementary question for the Minister of National Revenue. When the minister is inquiring into the matter raised by the hon. member opposite, will he also inquire whether information from his department is passed along not only to federal but to provincial authorities, because there is evidence that reassessments that have been made by his department have been made within days by the provincial authorities as well in exactly the same figures?

Mr. Gray: Mr. Speaker, I will be happy to do that. It may well be that parts of the agreements which the federal government has with provinces for tax collection purposes call for arrangements for exchange of information. I will look into it further.

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DRUGS

DEPARTMENTAL POLICY RESPECTING MONITORING OF SALE BY USE OF AGENTS WHO ATTEMPT TO BUY WITHOUT PRESCRIPTIONS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is for the Minister of National Health and Welfare. Does the minister's department have a policy of monitoring the sale of restricted pharmaceutical products by recruiting individuals who attempt to buy these without the necessary prescriptions, in effect using agents for surveillance in this regard?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I will look into this matter and endeavour to answer the hon. member's question tomorrow if I can.

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GRAIN

AUTHORITY FOR MAILING OF ACREAGE PAYMENT NOTICES TO PRAIRIE FARMERS LAST SUMMER

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question is for the minister in charge of the Wheat Board. In view of the fact that the officials of the Canadian Wheat Board who appeared before the Standing Committee on Agriculture last week denied any knowledge of or association with the mailing of certain acreage payment notices to prairie farmers last summer, purporting to have emanated from the Canadian Wheat Board, can the minister advise the House who mailed these notices and under whose direction and authority they were issued? Did the direction come from the minister or some other government department?

Hon. Otto E. Lang (Minister of Justice): Yes, Mr. Speaker. There was never any doubt about this. They were mailed under my authority.

[*Later:*]

INTENTION RESPECTING CONTINUANCE OF ACREAGE PAYMENTS UNDER TWO-PRICE SYSTEM

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, my question is supplementary to that asked by the hon. member for Vegreville. In view of the fact we are now less than one month away from the new crop year, can the minister in charge of the Wheat Board state whether it is his intention to continue the acreage payments as a subsidy in respect of the two-price wheat system in the coming crop year? Are plans being made for this?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, further payment will be made. I reject the use of the word "subsidy" by the hon. member. Also, the exact form of payment is subject to further discussions with the pro-

ducers. My indication so far has been that it is desirable to have a production neutral payment.

PROVISION OF SHARE OF ACREAGE PAYMENTS TO OWNERS OF RENTED LAND

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I have a supplementary question for the minister in charge of the Wheat Board. In view of the fact that many members from the prairie provinces have received complaints from people who rent land, particularly elderly people, who are not receiving any share of the acreage payments, can the minister advise whether he and his officials are trying to arrive at some method for future payments whereby owners of land, particularly elderly people who rent it to practicing farmers, will receive some share of the acreage payment?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, we do not propose a method for such a division. We do propose to make clear to landlords and tenants that it is very much up to them to make an arrangement in connection with their leases as to how these payments should be divided.

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HOUSING

REQUEST FOR TABLING OF REPORT ON LOW-INCOME HOUSING

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, in the absence of the Minister of State for Urban Affairs, who has been absent on his last two duty roster days, may I ask the acting minister or the Prime Minister whether the Michael Dennis report on low-income housing will be tabled this week?

Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will have to take notice of the question. I am afraid I do not have the answer. I will transmit it to the minister.

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• (1450)

CANADIAN CULTURE

INQUIRY AS TO NAMING OF MEMBERS OF ADVISORY COUNCIL ON MULTICULTURALISM

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is for the Prime Minister. In May the Prime Minister stipulated that he would advise the House who would make up the formation of the Canadian Advisory Council on Multiculturalism. Would the Prime Minister like to name these people so there could be recognition of the visible minorities of Canada? And please, no Pierre Vallières or René Lévesques!

Mr. Speaker: Order, please.

[*Later:*]

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

Mr. Speaker: Order, please. The hon. member for Edmonton Centre is rising on a point of order.

Mr. Paproski: Mr. Speaker, I was hoping that the Prime Minister would answer my question which was not really meant to be facetious.

Mr. Speaker: The hon. member will appreciate that the first part of his question was in order, but if he rules himself out of court by an addendum to his question the question cannot be asked and the Prime Minister cannot be allowed to reply to a question which is clearly out of order.

Mr. Paproski: I should like to remove the addendum, if I may, Mr. Speaker.

Mr. Speaker: The hon. member might ask his question tomorrow.

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CANADIAN NATIONAL RAILWAYS

RETIRED EMPLOYEES' PENSIONS—REPRESENTATIONS BY MINISTER OF TRANSPORT FOR FURTHER REVIEW TO MEET CLAIMS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Transport. In view of complaints that are coming in from Canadian National Railways employees and pensioners concerning the failure of last Thursday's announcement about pensions to meet their just claims, can the minister say whether he has made representation to the management of Canadian National to review this matter in all its aspects as quickly as possible?

Hon. Donald C. Jamieson (Minister of Transport): Yes, Mr. Speaker, I have done so. No later than half an hour ago I was discussing this matter with a major executive of Canadian National and I conveyed to him copies of the telegrams which the hon. member was good enough to send me.

Mr. Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. Will the minister underline in his discussions with management the desire of Canadian National employees to have the same pension benefits that are accorded to federal public servants?

Mr. Jamieson: Yes, Mr. Speaker. As this is in the communication it is obviously in their hands, but I will convey the matter verbally as well.

Mr. Speaker: Order, please. I believe the House agreed to return at this time to introduction of bills.

Proposed Legislation

ROUTINE PROCEEDINGS

ST. LAWRENCE PORTS OPERATIONS BILL

MEASURE TO PROVIDE FOR RESUMPTION OF LONGSHORING AND RELATED OPERATIONS

Hon. Martin P. O'Connell (Minister of Labour) moved for leave to introduce Bill C-230, to provide for the resumption of the operation of the ports of Montreal, Trois-Rivières and Quebec.

Mr. Speaker: Is it the pleasure of the House that the minister shall have leave to introduce the said bill?

[*Translation*]

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

Before the House gives its assent, could the minister say whether he will make a statement on the whole situation, whether he will inform the House of the economic effects of the strike on ports, and when will work resume?

I would ask the minister whether, before agreeing—

Some hon. Members: Order.

Mr. Speaker: Order.

[*English*]

Order, please. That is not a point of order. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

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

Mr. Speaker: When shall the said bill be read the second time? By leave, now?

Mr. MacEachen: Mr. Speaker, if I may raise a point of order, I should like to explain to the House that a full printing from the Printing Bureau will be available later in the afternoon, but very shortly a number of copies will be distributed which have been put together rather quickly within the building. This will give hon. members an opportunity of examining the bill and then later in the day, when members feel they have had an opportunity of examining the bill and are ready to proceed with second reading, we should like to call second reading of the bill.

Mr. Lewis: On the point of order, Mr. Speaker, I appreciate entirely the minister's desire, as it is mine, to see the bill before we go to second reading. However, the minister would not have introduced the bill unless there were reason for doing so, unless there were an emergency, and I therefore suggest that the minister propose, and that the House agree, that second reading begin, say, at 4.30 or five o'clock, and that we make it an order of the House so we will know exactly where we are going and how long we will take to examine the bill.

Mr. MacEachen: Mr. Speaker, the suggestion of the hon. member is quite acceptable to the government. We agree that 4.30 is a good time and we could begin second reading then. In the meantime we will have makeshift copies available for hon. members which, if they regard them as sufficiently official, will enable us to proceed to second reading at 4.30.

Mr. MacLean: That is agreeable to the official opposition, Mr. Speaker.

Mr. Peters: Mr. Speaker, I should like to ask the House leader whether, in terms of second reading and the Standing Orders, he would give consideration to making a change from the normal procedure under which this bill would be referred to the labour committee and send the bill, in view of the emergency, to the Committee of the Whole House.

Mr. MacEachen: Mr. Speaker, I have already given consideration to that point. It was my feeling that we would probably facilitate the passing of the bill more rapidly by sending it to a standing committee. It would be the intention when the bill is sent to the standing committee to ask the committee to deal with it as quickly as possible.

Mr. Alexander: Mr. Speaker, on a point of order, in view of the fact, as I understand it, that the House is in session primarily, in fact solely, to deal with the Montreal port strike, would the government House leader now agree to the suggestion made by the hon. member for Timiskaming and make an about-face in regard to the conclusion he has reached?

Mr. Speaker: Is it agreed and so ordered that the House will consider the bill on second reading at 4.30 this afternoon?

Mr. Peters: No, Mr. Speaker. It seems to me that this is an emergency, and I object to a small committee of the House making the decision on a matter that the government itself considers to be a national emergency. I believe all members should participate and I would be willing to co-operate to that end. However, I would be unfair to myself as well as to dealing with what the government has declared to be an emergency if I agreed to handle this bill in any other way, with the House carrying on business as usual while this very important matter is handled by a committee. If the government House leader does not see some merit in the House itself dealing with this emergency, I see no particular reason for agreeing that the emergency is such that we should waive our rules in other respects. I suggest that we waive the rules in such a way that all members will be able to participate at the committee stage.

Mr. Lambert (Edmonton West): Mr. Speaker, on the point of order, may I underline the proposition put forward by my colleague from Hamilton West. I am sure that the government House leader is fully aware of the rule that provides that when a committee reports back to the House the report cannot be considered until 48 hours later unless, of course, unanimous consent to consider the report is obtained, but then the government might be running a very serious risk. After all, this legislation is the reason we were called back this week. I, too, should like to participate in the discussion of the legislation in this House. I am sure every member recognizes what is its purpose and I think the bill should be considered here.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, in view of the comments that have been made and which the government House leader has heard, I wonder whether we could not agree to start the debate on second reading at 4.30 as indicated. We could also agree to leave for further discussion among the representatives of the parties the question of which committee the bill would go to after second reading.

• (1500)

Mr. MacEachen: Mr. Speaker, I accept the suggestion of my hon. friend. I simply want to make the point that we are treating this bill as we treat every other bill under the Standing Orders in sending it to a standing committee. It was my expectation that if the House could give second reading to the bill today, the standing committee could consider it in the morning and it could be back in the House tomorrow afternoon. That is a matter for consideration but that was the idea I had in mind.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, on the same point of order, I suggest that we have been called to examine the emergency situation created by the dispute in the harbours of the St. Lawrence. We are now being asked to refer the bill to a standing committee of the House, while we have been kept here, as the hon. member for Timiskaming (Mr. Peters) said a few minutes ago, especially to deal with this issue. The Committee of the Whole House should examine the bill so that all members have an opportunity of expressing their views. In my opinion, the sooner we shall start this debate, the sooner we shall end it, because all hon. members are interested in this dispute coming to an end in Montreal, Trois-Rivières and Quebec. We need only agree that the debate should start as soon as possible in the Committee of the Whole House so that all hon. members have an opportunity of airing their views.

[*English*]

Mr. Speaker: The latest suggestion, as I understand it, is that the House order the bill for consideration on second reading at 4.30 this afternoon, leaving in abeyance the question of the referral of the bill after second reading to either the standing committee or committee of the whole, and this would be the subject of discussion among the party representatives. For the time being there will be only one decision for the House to take, namely, to order that at 4.30 the House begin consideration of the bill on second reading. Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

GOVERNMENT ORDERS

FOREIGN TAKEOVERS REVIEW ACT

MEASURE TO CONTROL FOREIGN TAKEOVERS OF CANADIAN COMPANIES

The House resumed, from Tuesday, July 4, consideration of Bill C-201, to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs, and motions Nos. 10 and 11 (Mr. McCleave).

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, yesterday at ten o'clock at the adjournment of this debate I had asked the Minister of Industry, Trade and Commerce (Mr. Pepin) to reconsider very carefully the amendment put forward by my colleague, the hon. member for Halifax-East Hants (Mr. McCleave), and to see whether there was some area of agreement between the minister's thinking and the amendment put forward, with a view to making the legislation more precise and less confusing. I had hoped the minister might now be able to give us his answer.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I still stand on the opinion I gave yesterday which is to be found at page 3763 of *Hansard*. I hope the hon. member for Halifax-East Hants (Mr. McCleave) will accept the explanation I gave at that time.

The hon. member for Waterloo (Mr. Saltsman) indicated that if we were to accept the amendment we might open a loophole in the bill which would be most undesirable. This loophole would allow the possible acquisition of a business under the cover of a leasing operation. The hon. member for Waterloo saw the difficulty in the same way I did, and I suggest that this view should be accepted by the proposer of the motion. I am eager to hear his views.

Mr. Speaker: Is the House ready for the question on the motion now before us?

Some hon. Members: Agreed.

Mr. Speaker: The question is on motions Nos. 10 and 11. Is it the pleasure of the House to adopt the said motions? All those in favour will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

An hon. Member: On division.

Mr. Speaker: I declare motions 10 and 11 negatived on division.

Motions Nos. 10 and 11 (Mr. McCleave) negatived.

Foreign Takeovers Review Act

Mr. Speaker: The House will now proceed to the consideration of motion No. 12 in the name of the hon. member for Edmonton West.

Hon. Marcel Lambert (Edmonton West) moved motion No. 12 as follows:

That Bill C-201, an act to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons, be amended by deleting line 25 on page 12 thereof and substituting therefor the following:

"based on such information and evidence; and, where the opinion is that the person is not a non-eligible person, the minister and his successors in office shall, upon such information and evidence, be bound by that opinion."

He said: Mr. Speaker, the reason I have put forward this amendment is that it embodies the point of view put forward by certain committee members including myself, as well as many of the witnesses who wished to simplify the administration of this legislation by eliminating as much as possible the necessity of having to come to the minister for every transaction. Every transaction which might be considered to be caught by the act would have to be brought to the minister. That would include everyone who is close to the limits but who has established that for the purposes of this act the control is Canadian. Having done that once, surely it is possible for that person or corporation to look forward to a period of peace during which he would not, every time in respect of every transaction, have to come to the minister. If the minister has granted a certificate there should for a time be some reliance placed upon that certificate.

I would place this matter where the onus should lie, that is, with the minister and not with the corporation. Why should the companies always bear the onus of establishing their innocence? It seems to me fundamental that companies should have the presumption in their favour. If having obtained a certificate from information which may be obtained by the minister or lodged with him there is some doubt as to the company's status, the certificate, having been granted some time before, could be called into question. But the onus would be on the ministry: that is where it should be.

• (1510)

This is not the Income Tax Act, although the minister in all cases has acted in the spirit of the Income Tax Act. In other words, the Canadian citizen, the Canadian corporation, must establish its innocence. Since when is that a generally acceptable principle of law or of conduct? We hear everywhere, all along the line, that the individual is the person under this legislation who must establish that there is significant benefit to Canada. The onus is wrong. The government is establishing the regulatory agency; let it act. Why should the responsibility be that of the individual? It is all too easy for government to act in that way. I for one find this provision totally repugnant. It is a matter of personal repugnance to me that in dealing with government it is always the individual who must prove his innocence. That to my mind is not part of a democratic society.

This is the spirit of the amendment. The administration could be handled much easier on the basis of my proposal. If the minister in accepting the principle that I have put forward should have an alternative formula, I am quite open in this regard. I recognize there is no solution that would be 100 per cent in respect of acceptance of my point of view. Perhaps a certificate that is good for three years on balance would be the best method. Once a certificate were granted and the company had not materially changed its circumstances, the certificate would be valid for three years unless revoked. On the other hand, the certificate could be granted for an indefinite period subject to revocation. These are two avenues of approach. But it seems to me it would be infinitely more acceptable, infinitely more just and infinitely less costly, with much less red tape involved, than the procedure now required by the minister where the responsibility lies with the individual person as determined by this legislation.

It must be remembered that every time the government introduces legislation of this kind, the cost in time and endeavour by the citizen or the businessman is an additional cost. The good Lord only knows how in the past quarter of a century costs which are really the responsibility of the government have been piled on the backs of business and economic activity throughout the country. Who pays for the cost of compiling and maintaining unemployment insurance records and filings on behalf of employees? Who pays for the cost of collection of income tax at source? It is the employer. Who pays for the compilation of the Canada Pension Plan and the computation thereof? The employer. Who pays for health insurance, medicare and so on? Then we have Statistics Canada which comes along with a whole series of requests for information so that a business which employs 25 or 30 persons must hire one or two more merely to maintain records for the government. I did forget that there are also workmen's compensation levies and reports. That item is also a cost that is loaded on the back of the employer.

Who pays for these things in the end? It is the consumer, the Canadian public. All these requirements are fed into the machine. Bureaucracy piles upon bureaucracy, increasing the price which has to be paid by the ultimate consumer, John Citizen. What benefit does he get from it? A great deal of it is highly doubtful. This is another instance of the government feeding the cost of more bureaucracy into the economic machine of this country.

It is a completely new departure; it is a completely new input of bureaucracy into the economic affairs of the country. This has to be paid for. I find it repugnant that this should be so. I say it would be far better for the minister to accept proposals which seek to eliminate as much red tape as possible and make it as easy as possible for those involved or coming under the purported jurisdiction of this legislation to carry on their affairs with a minimum of interference, albeit meeting the requirements of the minister under the act. It is for this reason I have put forward this amendment and seek the support of the House for it.

Mr. Max Saltsman (Waterloo): Mr. Speaker, it is always helpful to me to listen to the hon. member for Edmonton West (Mr. Lambert) because it sort of reconfirms my reason for becoming a Socialist rather than a Conservative. When he talks about all the deductions in respect of medicare, hospitalization, unemployment insurance and

workmen's compensation he rhymes these off as though they were a litany of evil, as though these were evil things for which the employer is forced to pay.

Mr. Lambert (Edmonton West): They are costly.

Mr. Saltsman: They may be costly but not, certainly, in the way the hon. member attempted to suggest. There is no way I could support this amendment because really what the hon. member for Edmonton West is asking us to do, in the fine moral fury of presumed innocence which he has worked up, is to proceed on the assumption that once somebody receives a clean bill of health so far as ownership is concerned, he should be left alone. It is like saying the lady of the evening has her certificate and therefore one should never look at her again because she is all right.

The hon. member for Edmonton West, who is very knowledgeable about business and the stock market, knows that a certificate could be issued in the morning and in the afternoon the entire ownership of the corporation could be changed. How does one go about saying that once the minister has made a decision, that decision is forever? I realize the difficulty of the situation as suggested by the hon. member, that the onus of proof should be on the government. This is fine. He brings in other cases where this is done. However, in bringing them in the hon. member neglected to indicate that in these cases there is a disclosure mechanism which makes it possible for the onus to lie with the government. For instance, in the case of income tax a person must declare his income annually. The government can review the income tax return and make a decision.

What makes this more surprising, and certainly not understandable so far as the hon. member for Edmonton West is concerned, is that over the years when in this House and in committee we have debated various pieces of legislation, the hon. member has constantly refused to put disclosure regulations in the Corporations Act and other acts.

• (1520)

I do not like the onus being put on the individual or on the corporation. I think this is not a good principle. But unless you have disclosure in the rest of the legislation, which the hon. member for Edmonton West opposes, there is no other choice. If the disclosure were there, the minister could act on the information which came under other acts and we could say to the minister that he has to initiate proceedings in such a case.

The Canada Corporations Act is useless in terms of disclosure; there is no disclosure below the level of $5 million of assets, whereas this bill calls for examination at the level of $250,000. Therefore, the other acts do not enable the minister to have any idea of what is happening. We have run into similar problems with the minister in other areas and we have not yet solved the problem of disclosure. The one thing on which I can agree with the hon. member for Edmonton West is that as a principle the onus should be on the government. But then you have to say in justice that our disclosure legislation must be improved; at least information must be available to us.

Recently we had the problem of American corporations in Canada which had made application under the DISC program in the United States. No one was as surprised in Canada as the Minister of Industry, Trade and Commerce (Mr. Pepin) who thought he had received assurances from these good friends of his that they were not going to apply for DISC. He woke up one morning and to his horror found he had been shafted in so many places that he looked like a pincushion. His friends had let him down. He had no way of knowing that they had made this application until some outside, extraneous information came to his attention. This would be the same case.

I cannot see how you can possibly have any kind of meaning in an act as meagre as this one. The inclusion of this amendment would wipe out the entire significance of the provisions, because all you have to do if you are an American corporation is obtain Canadian corporate ownership; you would then be as pure as the driven snow. The minute you obtained your certificate you could do as you pleased and the minister would have to play cops and robbers and chase you all over the country to find out what had taken place. If we tried to get disclosure incorporated into the legislation, then my friends to the right, the Conservative party, would say that this is useless information and that we do not need it, that it is just probing and prying. Obviously we do need it. If this amendment has any significance at all, it is that there must be disclosure.

Again, this bill would have very little meaning because there is no disclosure and because built into the situation the minister already has enough problems in trying to ascertain the disposition of a business or what its shares may be, without adding this provision. So I think that on reflection, if the hon. member for Edmonton West thinks of the problems that would be created by accepting his amendment and if he is really serious about strengthening or improving the bill, he will withdraw his motion.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I have a couple of ideas on the same subject to complement what the hon. member for Waterloo (Mr. Saltsman) has said. I am in full agreement with him on this matter, but I have no intention of joining the NDP because of that. My first comment is that if the minister should get into the business of issuing binding opinions he would very rapidly be subject to accusations, perhaps from the hon. member for Edmonton West (Mr. Lambert), of having protected his friends because he would be making exceptions for individual companies. That would be very dangerous politically.

Mr. Lambert (Edmonton West): You are going to do it every day.

Mr. Pepin: No, Sir. I do not want to repeat what was said during the hour or two which we spent in committee on this point, but I pointed out that so far as the administration of the act is concerned, where the share ownership of the company concerned has not changed materially after the minister has given an opinion on the eligibility or otherwise of the company, the opinion should be considered as remaining in effect. That is the only thing one can do. Knowing full well, as was emphasized by the hon. member for Waterloo, that shares keep moving constant-

ly, the minister could not commit himself in advance on these matters. But as I said in the committee, administratively speaking the opinion given under clause 3(8) is valid inasmuch as there has not been any material change in the distribution of shares in the company. This is known only to the company. Suppose I give an opinion today, on July 5, and there is no material change in the distribution of shares in the company until September, 1974. The opinion that I have given is then one that the company can use, and that is all it is possible to do under the circumstances.

Mr. Lambert (Edmonton West): The minister is still insisting on the onus being on the individual.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the said motion? All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

Mr. Lambert (Edmonton West): On division.

Mr. Deputy Speaker: I delcare the motion negatived on division.

Motion No. 12 (Mr. Lambert, Edmonton West) negatived.

Mr. Deputy Speaker: Pursuant to agreement made yesterday, motions Nos. 13 and 14 are to be considered and disposed of separately. Therefore the Chair will not put motion No. 13. Mr. Lambert (Edmonton West) moves motion No. 13 as follows:

That Bill C-201, an act to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons, be amended by inserting therein, next after line 34 on page 12 thereof, the following:

"(b) a business enterprise carried on by a corporation with provincial objects that is incorporated under the laws of a province and is excluded by name from the application of this act by an order of the Lieutenant Governor in Council of that province;"

Is it the pleasure of the House to adopt the said motion?

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, this amendment, which I must admit from the jurisdictional relationship point of view does adduce a certain complication, does allow me to indicate one more area where this act is an expression of unilaterally assumed jurisdiction by the Parliament of Canada. The Canadian Bar Association has recommended to the minister that this bill be tested by or referred to the Supreme Court to see whether the government has jurisdiction to deal with a company incorporated under the laws of a province with objects that are limited to activities within that province.

• (1530)

This amendment was designed to authorize an exception to be made by a province, bearing in mind the legitimate interests of provinces in economic activity within their borders. This is something which is not the sole prerogative of the federal government, extending the unilateral action it has taken, completely disregarding prior consultation with the provinces. The whole question of foreign ownership and of takeovers, so far as the provinces are concerned, was considered in a vacuum; they were not consulted.

I think the minister will agree with me that the provinces have a legitimate interest in the economic activities of companies or businesses that operate within their territorial jurisdictions. This is the first time the government of Canada has dared move into this particular field, which I describe as a form of economic czardom or overseeing.

Therefore I have taken the limited means available to me by proposing that power be given to a provincial government to say to the federal government in this regard, "Keep your cotton-picking hands off." That is a term that has been used by provincial ministers to federal ministers on innumerable occasions. It has been used in dominion-provincial conferences, and that is what is meant by this amendment. There is reason for it. If the minister were on this side of the chamber and looking at the bill, he too would recognize that a province has a legitimate interest in doing this. He could readily see from "le château fort du centre du Canada" that an Olympian decision is being delivered with regard to something that is happening strictly within provincial jurisdiction.

This is something that has never come within the control of the government of Canada. The government of Canada has no control whatsoever over a foreign company coming into a province and registering under its laws. It has not one iota of control in law or otherwise. A company may carry on business within provincial jurisdiction, report to the provincial authorities, be held responsible to the courts of the province and have subsidiaries within a province. But now for some reason or other the government of Canada can say, "We will step in if you dare buy the total assets of a public company, or 20 per cent of the shares of a private company operating within the province." I say that that is totally ill-founded in law. It is for that reason that I have put forward this amendment, to highlight again the action I think should have been taken by the government in arriving at the presentation of a law that at least had the agreement of the provinces.

The provinces also have some concern about takeovers and foreign ownership. Is this action to be taken only by the government of Canada? After all, the Prime Minister (Mr. Trudeau) said, "This is what we are going to do. If some of the provinces are not satisfied with the way in which we are dealing with the question of foreign ownership, let them take their own action." A province which may not be satisfied with the way the federal government is dealing with takeovers or foreign ownership may well say, "We are going to exempt all companies in our province." That would be quite in accord with what the Prime Minister said.

Indeed, the provinces might take stronger action than the federal government has proposed. Some of the provinces have already moved in an ad hoc way. The province of Ontario has moved in a certain direction because it wants more processing of basic resources undertaken in

the province; but it has not done much to encourage such processing. After all, it is the buyer who determines in what form he will take the commodity he wants. There is no such thing as monopoly of supply; there are many alternative sources of supply.

The province of Alberta has moved in a certain direction and has imposed further conditions with regard to the development of the tar sands. Extension of a permit was made conditional upon certain Canadianization features. I believe some of the results may be more apparent than real because Canadian resources may not be able to fulfil all the requirements, but at least this was a legitimate step taken by a province with regard to resources within its own jurisdiction, applicable to a company within its jurisdiction.

The government of Canada hasn't a word to say about the operations of Syncrude until it starts to transport oil across the boundary of the province of Alberta into another province or applies to transport oil out of the country. The federal government has no control whatsoever over the output of oil from that development when completed except when it may be transported outside the province, when the pipeline will come under the control of the government of Canada. The transportation, the utilization and the pricing of the oil are not subject to determination by the National Energy Board. The National Energy Board may determine the market area in a certain part of the country but beyond that there is nothing that would apply.

• (1540)

I find it extraordinary that there has been this attempt at unilateral action. It will be very interesting to see the reaction the first time—this is presupposing that the law comes into force—the minister goes contrary to the desires of one of the provinces in regard to something that is entirely within provincial jurisdiction. Notwithstanding the amendment to clause 2(2), if the action should be contrary to the expressed desires of the provinces I would judge that the law would immediately be tested in the Supreme Court of Canada. While this is taking place we will see if the government carries on under the law.

It is with that purpose in mind and to highlight these difficulties that I have brought forth this amendment. As I have said, I do not think the House will support it because I know the attitude of the minister and his advisers. They have shut not one eye but both eyes to the question of jurisdictional competence; but it is a fact of life, Mr. Speaker.

I know it would be a lot easier for the minister if he could move at will through all the corporations of the country. It would be a lot easier administratively, but we are not a unitary state and it is not the Parliament of Canada nor the corporations branch which gives the right of existence to corporations. All that they do comes under the jurisdiction of the provinces, but it seems that the federal government of Canada now says that it will oversee these activities to the extent that it will seek to determine the quality and quantity of ownership.

I hope that all hon. members will recognize the problem and the Frankenstein they will have created if they support the minister in this bill.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, it has been obvious to me for some time from the amendments moved by the hon. member for Edmonton West (Mr. Lambert) and his colleagues and the speeches they have made that far from strengthening this bill they have consistently moved amendments which would weaken an already weak bill. They would weaken it to the extent that the bill would give the government no power at all.

Mr. Lambert (Edmonton West): What would your provincial administration do the first time its toes were stepped upon?

Mr. Orlikow: I will come to that in a moment, Mr. Speaker. I do not have much faith in the bill, nor do I have much faith in the desire of this government or this minister to administer the bill in such a way that takeovers which have been going on at a very rapid rate will be stopped. I can think of no way in which the hands of the minister could be tied even more than they are by this weak bill than to approve the amendment moved by the hon. member for Edmonton West.

I say this more in a spirit of regret than in criticism, but Canada has a sorry record going back more than 20 years in the field of economic development in various provinces. Which provinces become involved in actively promoting economic development which does not come from the ordinary forces of market activity and the desire of industry to make profits? Not the province of Ontario, which is very active; not the province of British Columbia; not the province of Alberta where the hon. member for Edmonton West comes from. They are the have-not provinces, those where for various reasons such as small population or distance from markets economic growth has not progressed at a rapid enough rate and large numbers of people are unemployed. They are provinces such as Newfoundland, Nova Scotia and my own province of Manitoba. These are the provinces in which provincial governments through one agency or another have become involved in inducing, enticing and persuading private investors to come and build up industry or use the potential resources.

How have they done this, Mr. Speaker? To a large extent it has been through a kind of competition amongst themselves to see how much they could give the private interests in order to get them to come to their province. The record is a sorry one of failure after failure, disaster after disaster and giveaway after giveaway. Let me briefly give some illustrations of this in case the hon. member for Edmonton West does not know about them. Some years ago the government of Newfoundland was involved in this kind of promotion. Three cases come to mind. There was the tremendous hydroelectric development at Churchill Falls in Labrador which cost several billion dollars and produced a tremendous amount of power. Very little of this is needed in Newfoundland or Labrador, so the bulk of the power will be used in the province of Quebec and the remainder sold as surplus power to New York States.

Within the last week or so the minister of finance in the Conservative government of Newfoundland stated that the deal made by the former government with Brinco was so bad from the point of view of the province that it would

not even get back the money it put into the deal. The promoters will do very well and will make money, the province of Quebec will get power at a reasonable rate and the State of New York will get power at a good price, but th epeople of Newfoundland will be the losers on this Brinco deal.

Similarly, tens of millions of dollars have gone into a linerboard plant in Newfoundland. Again, the financial arrangements made between the then Liberal government of Newfoundland and the interests putting up that plant were so bad from the point of view of the people of Newfoundland that the present government has exercised its right to take over the plant. The latest example is the oil refinery at Come-By-Chance on which the Minister of the Environment (Mr. Davis) has served notice that it must comply with the federal government's pollution control standards. Unless within the next three weeks they are prepared to invest another $5 million in improving pollution control equipment at that plant, he will order a shut down of the work.

• (1550)

Or you can consider the proposal of the province of Nova Scotia, made by the former Conservative government, for building a heavy water plant on Cape Breton Island. That plant has been in the process of construction for five years or more and has cost the people of Nova Scotia and the federal government, which is involved in the financing of that plan and in the financing of most plans proposed by the provinces, more than $100 million. That is how much the plant has cost the government of Nova Scotia and the federal government. It is estimated that we shall spend $200 million before—or should I say "if"—that plant produces one pound of heavy water.

Or you may consider something that happened in my province. The former Conservative government entered into an agreement with a mysterious group of financiers in Switzerland who were to build a pulp and paper complex at The Pas in northern Manitoba. As an inducement for coming to Manitoba they were given rights to cut timber in virtually a quarter of the province. About $100 million has been spent on building that plant. Without question there was much overexpenditure and unnecessary spending. Mr. Speaker, 90 per cent or more of that money was put up by the province of Manitoba. So bad did the situation become and so behind were the supposed owners in meeting bills of contractors and workers that they were forced into bankruptcy. The provincial government had to take over that plant. Again, the federal government was involved because under our program of grants to slow growth areas the federal government was obligated to pay substantial amounts of money for that project.

I could go on and on, Mr. Speaker. I am trying to tell the hon. member for Edmonton West that the record of provincial governments of whatever political stripe is bad, not because they are incompetent, not because they cannot do a good job but for other reasons. Provincial Crown corporations and provincial hydroelectric systems, most of which are publicly owned in the provinces, have demonstrated repeatedly that they can operate efficiently and provide service to the people at low cost.

[Mr. Orlikow.]

Which provinces encountered difficulties? It was precisely those provinces which were in the worst shape. They suffered from the highest rates of unemployment in this country and were forced by pressure, by the need to do things for their people, into poor deals and poor financial arrangements. Despite that, the hon. member for Edmonton West would move an amendment to this bill which would give the very provinces which have demonstrated repeatedly their inability to execute plans which would benefit their people the power of the veto. In other words, they would have power to veto even the limited proposals which would be made by this government.

It seems to me the hon. member for Edmonton West is saying that the provinces will accept almost any deal which will provide some employment and some economic development; they will accept any deal regardless of cost and the concessions they must give. The hon. member would give them power to veto even the very limited steps which the government will be empowered to take under this bill. That means, although the hon. member for Edmonton West does not say so, that the have-not provinces in the vast majority of cases could say, when the federal government deemed a takeover not to be in the interest of the country as a whole, "We need this takeover and therefore we insist that you do not prevent it." If the hon. member for Edmonton West is so obviously opposed to this bill, instead of moving amendments which would cripple the bill he ought to vote against it.

Mr. Max Saltsman (Waterloo): Mr. Speaker, in the course of this debate we have supported amendments that would increase the degree of consultation between federal and provincial governments. We felt that this was highly desirable because we think that in making their decisions the two levels of government ought to enjoy a closer relationship. We were agreeable to the amendment suggested by the Minister of Industry, Trade and Commerce (Mr. Pepin) which would achieve that end. What we have never wanted—and our position was set out clearly by the hon. member for Winnipeg North (Mr. Orlikow—is a veto power in the hands of the provinces, a power they could exercise against the federal government.

The amendment we are considering supports a kind of economic separatism for it advocates a doctrine that would be totally unacceptable at the constitutional level. I wonder what the hon. member for Edmonton West (Mr. Lambert) would say about the constitutional validity of a power which gave each province the right to veto every legislative decision taken by the federal government. I do not think he would approve. He is a concerned member and knows what the effect of such veto would be. At the same time, however, he is prepared to move an amendment that would give the provinces power to veto certain economic-based decisions made in other fields. For some reason or other he distinguishes between economic and political and social activity. That distinction I find hard to make.

If we examine some of the possibilities that might arise, we will see they are pretty horrible to contemplate. I am talking about possibilities that might arise if we gave the provinces the veto power that the amendment would permit. Allegedly, the veto power is justified by the contention that what goes on inside the province and what

happens to companies incorporated and operating within provincial boundaries affects only that province and is the sole responsibility, therefore, of the elected representatives of the province. We know that is not true. What happens in one province very much affects the lives of people in other provinces, just as what happens in Canada affects people of other countries and what happens in other countries may affect us all. Therefore, the justification for the veto on the basis of self-determination, on the basis that "It is our own skins that are affected", falls flat.

Consider, for instance, the case of a provincial hydro-electric utility. The electricity sometimes is distributed between provinces; in other cases it is transmitted from a province to a foreign country. Say, for instance, that a province in financial difficulty was made a good offer for its utility, an offer so good that it could not possibly turn it down. Say that it wanted to sell out to a foreign company or concern. If the province could make a reasonably advantageous deal but did not think that provinces ought to assume the kind of responsibilities that we think they should assume, should it be permitted to sell? In other words, should it be given the kind of veto proposed in the amendment?

Mr. Lambert (Edmonton West): But such a transaction would not be constitutional.

Mr. Saltsman: The hon. member for Edmonton West, who is learned in constitutional law, says that that would not be constitutional. That is the very point I am trying to make. There are all kinds of precedents to indicate that federal responsibility must be paramount in certain situations.

Mr. Lambert (Edmonton West): Which arise outside the country.

Mr. Saltsman: Not only outside the country but inside the country. The federal government is paramount in the field of broadcasting and in some areas of production.

Mr. Lambert (Edmonton West): In the production of oil and gas?

Mr. Saltsman: Only to a limited extent. Actually, we have decided that certain things are important. Really, what the hon. member says, and I think I can say this with justice, is that considerations of foreign ownership are not important to the national interest. The implication is that they should not be considered in the same context as telecommunications, transportation, broadcasting and banking and that each province should in effect be able to make its own law. If you give them veto power, you nullify the whole purpose of a national policy on foreign ownership.

• (1600)

Would the hon. member disagree that we have a constitution which gives this kind of veto power to the provinces in other areas affecting the political structure of Canada? In the field of economics, he is quite prepared to say, "Let the devil take the hindmost and let each province determine its own future and priorities. There is always some validity for this."

Obviously, we want to see each province given as much freedom as possible to determine the thrust of its future. But in the final analysis, on a question like foreign ownership and takeovers in particular the national interest has to be considered. Only the federal government can do that. If an amendment of this kind is accepted there would be a very obvious veto in respect of all decisions made by the federal government. If a province chooses to exercise that veto, the effect would be to nullify any meagre effects this bill might have.

Mr. Robert P. Kaplan (Don Valley): Mr. Speaker, I want to add a word of agreement to what the hon. member for Waterloo (Mr. Saltsman) has said. I sometimes think that the Conservative party considers it to be their role to return to the provinces all the powers of the federal government. There is already within the provinces a growing desire to run their own show, to consider that they alone speak for the citizens who live within the province, open embassies abroad, set up their own communications systems and insist on determining their own economic policy. I remind the members of the Conservative party that we in this House also represent the people of Canada. I speak for the people of Don Valley as members opposite speak for the people in their regions when regional matters are reflected under federal headings.

I do not think we should be frightened about exercising our powers under the constitution. We should not say that the government of the province of Ontario and the elected representatives of that chamber, for example, are the only voices of the people of Ontario on public affairs. We here are very much responsible for regional problems. I am here as a representative of a region, as are all members. In the process of making decisions, when a regional concern is at stake we should not think that somehow or other a province has more right to speak for all concerned than we do. This body represents the whole of the people of Canada as well as all the regions of Canada.

Let us not be frightened about possible constitutional limitations or using the powers that the constitution of Canada has given us. There is a national perspective. This is a problem on which a national perspective has to be taken. Certainly regional interests are affected, but the regions of Canada are represented in this chamber as much as they are in any one of the provincial legislatures.

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I do not wish to get involved in an otherwise very interesting constitutional debate. I could see that the hon. member for Edmonton West (Mr. Lambert) took delight in elaborating on very strict constitutional views. One gets the impression that this very experienced "senior" politician is preparing his biography these days and that he already pictures himself in constitutional law textbooks. All this is very interesting.

One thing is certain, however, and many people have noticed it: even though the distribution of power between the central government and the provinces is rather imprecise in the field of industrial development, I for one doubt very much that we could make this division on a territori-

al basis, as the hon. member for Don Valley (Mr. Kaplan) has just mentioned, or on the basis of the place of incorporation of the companies. Yet this is what the amendment proposes.

I can only gather that the amendment is unacceptable because it ignores the purpose, scope and intent of the legislation and would make it ineffective.

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

[*English*]

The question is on motion No. 13. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Boulanger): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Boulanger): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Boulanger): In my opinion the nays have it.

Some hon. Members: On division.

The Acting Speaker (Mr. Boulanger): I declare the motion negatived on division.

Motion No. 13 (Mr. Lambert, Edmonton West) negatived.

Mr. Doug Rowland (Selkirk) moved motion No. 14 as follows:

That Bill C-201, an act to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons, be amended by deleting therefrom paragraph (c) of subsection (1) of clause 4.

He said: Mr. Speaker, I will be very brief. There is in the bill provision for the monitoring of takeovers of companies having a minimum of $250,000 in gross assets and $3 million in gross revenue. The purpose of this amendment is to, in effect, reduce that minimum to zero so that any foreign takeover will come within the purview of the act. The reasons for it might seem rather picayune but they are twofold. Under the present arrangement there are a number of loopholes. I shall give a brief illustration.

It is possible that a foreign corporation interested in gaining a major presence in a certain segment of Canadian economic activity could, rather than undertaking to purchase a Canadian company having in excess of $250,000 in gross assets, purchase a number of Canadian companies having less gross assets and less gross revenue than is provided for in the act. Through small takeovers it could gradually establish a rather imposing presence within a given area of the economy. That is a prospect which the legislation overlooks, and it is cause for just as much concern potentially as the kind of takeovers which the government contemplates screening under this legislation.

The other concern which prompted me to submit my amendment is that when initially developed, a good deal of technology is financed on a very marginal basis. It is quite possible that we could lose a good deal, or at least some new technology to foreign corporations in its inception simply because the gross assets involved in the development of technology and the revenue being gained do not meet the limits proposed in the legislation in the early stages of the development. This has been the case with many great technological breakthroughs.

There is also a tendency in Canadian banking institutions to be reluctant to fund Canadian ventures into new areas of technology. This is because they are considered high risk. On the other hand, funding is readily available if a Canadian inventor of some new technology has the potential support of a United States or international corporation for his product. This gives banks the assurance they need before making development capital available.

• (1610)

This is one of the problems of industrial development in Canada, and as written I think the bill does nothing to remedy the situation. It lets the present position prevail whereby new technological development in Canada, owing to the exigencies of the financial world, are quite often unnecessarily thrown into the hands of foreign corporations.

These are the two major reasons for my submitting this amendment and I should like to hear the comments of other hon. members with respect thereto.

Mr. Max Saltsman (Waterloo): Mr. Speaker, in the many discussions on foreign ownership one of the matters often debated is whether the future of Canada's industrial development really hinges on buying back these large, monolithic, developed companies which are so set in their ways, which mass produce certain consumer or technical goods, or rather whether the future of this country depends upon finding new areas of development and on putting emphasis on financing such resources.

The hon. member for Selkirk (Mr. Rowland) who moved this motion made an excellent point when he said that many new ideas originate in the minds of the staff of small companies. It is here where the most dangerous form of takeover takes place, and the provisions of this bill do nothing to rectify the situation. The reason I say this is the most dangerous form of takeover is that these ideas will generate development in the future.

I can recite a long catalogue of inventions which were conceived in someone's basement or small laboratory and which later formed the basis for the establishment of large corporations. It is not the mature companies that are at the heart of the foreign ownership problem; rather, it is the companies that have their eye on future development. The mature companies are more in the past and if we concentrate on them the future will evade us and foreign ownership will continue ad infinitum.

There are many new technologies developed by mature companies and to this extent we must take an interest in large corporations. But it would be a terrible mistake and

a gross oversight to neglect smaller companies in the way the bill does. What possible justification can the drafters of the bill have for the exclusion of small companies? Do they feel that there are so many small companies, that there are so many transfers of businesses, that the situation would be far too complex to deal with? Even if that were the case, would it still not be worth while to look at the situation?

The government would not have to take months and months to scrutinize such takeovers. Most of them would be routine. After all, the corner grocery is not going to be taken over by a large international corporation. The transfer of a small plant is usually from one Canadian to another Canadian, often from one partner to another partner or from one group of stockholders to another group of stockholders.

Small companies that develop unique products often do so with the help of government programs sponsored by the Department of Industry, Trade and Commerce. The department has done worth-while work in terms of assisting inventors in this country to develop new products. Most of these new products are developed by relatively small firms. I presume the reason the Department of Industry, Trade and Commerce offers such assistance is not to make a small outlet ripe for takeover by an international corporation but to develop products that are indigenous to this country, and to promote entrepreneural activity.

Unless smaller companies are included within a foreign ownership policy, a great deal of damage will be done. From the administrative point of view it is possible to establish an initial review procedure to approve transfers between Canadians quickly. There is no reason this cannot be done. If because the procedure is quick the odd mistake is made, then this is the price we will have to pay.

I think this review procedure would also provide an enormous opportunity for the Department of Industry, Trade and Commerce. I have seen many small companies taken over by foreign corporations. After all, no one is going to go after the Steel Company of Canada; it is the small companies that are picked up, the companies that have difficulty getting sufficient financing. This is the sort of company the international corporations look for. Sometimes they are trying to buy out a competing product that might challenge their own. Sometimes they are just gambling, buying up all the new ideas they can. They know that though some will not work, others will. The international corporation loves to do this sort of thing and will continue to do so in view of the exclusion that is built into this bill.

Let me return to what I said earlier about the Department of Industry, Trade and Commerce having an enormous opportunity here. If the clause setting the limit at $250,000 were removed and all takeovers had to be scrutinized, the minister's department would have a golden opportunity. For example, if they asked a company why it wanted to sell out to a foreigner and the company replied that it had not been able to get any financing, the departmental officials would then know that the company was having problems and might be able to help. Companies sometimes feel the government does not care about them anyway; there is a certain cynicism in that regard. But here would be a real role for the department to play as the helpers of small industry in Canada.

You might, of course, get a situation where the only way to save the company would be to sell out to a foreign corporation, but on the other hand situations would be brought to the minister's attention of which formerly he and his officials had been unaware. This would enable them to go to the root cause of foreign takeovers in Canada. While legislation of itself might have some value, it does not solve the root problem. There are some things we do not understand about takeovers and about why we are so dominated by foreign ownership. We must deal with these questions, and legislation in itself is not sufficient answer.

This would be a wonderful opportunity for the minister to accept the amendment. His department would look at every takeover and would then be in a position to analyse the reason for the takeover and to consider offering assistance. Perhaps it is the sort of thing his department can do now. I am sure there are people who come to the Department of Industry, Trade and Commerce and are surprised at the amount of assistance available. In spite of publicity and what I think is general knowledge about services available, some small businessmen still have not a clue as to the kind of assistance available to them from the federal government and certain provincial governments.

• (1620)

The minister has talked about rationalization. Perhaps this is a way the minister can engage in a rationalization program. Instead of talking about it and making brilliant speeches, he could do something about this and provide opportunities for development and financing. He may say that his terms of reference are not as broad as he might wish; but if they are not, they should be. After all, the Department of Industry, Trade and Commerce was set up supposedly for the purpose of assisting business generally. If it cannot assist to the extent required, it should seek a broader mandate and greater responsibility.

These are a few of the things that I suggest would be of advantage. If this bill goes through without the kind of amendment proposed by the hon. member for Selkirk, it will in effect be useless. That is one of the reasons we urge acceptance of the amendment.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I am amazed at the enthusiastic way in which the hon. member for Waterloo (Mr. Saltsman) speaks about this bill. I cannot for the life of me understand why he qualifies that enthusiasm by saying "if this bill goes through". Why is he not willing to help the bill get through? Obviously what he says ought to be done makes sense, but I cannot understand why members of his party appear not to want the bill to pass: they speak so enthusiastically about it's content.

The reason I must refuse the amendment is that from my point of view, if it were accepted the office of takeovers would be in the business of screening every potential takeover where there was a $2 in assets and $5 in revenue company involved. That is something which cannot be contemplated administratively by me.

Mr. John Burton (Regina East): Mr. Speaker, I find that the minister has a great deal of difficulty recognizing when help is being offered. We have made very clear our stand on this bill. We feel we need much more comprehensive, and a different type of legislation than that proposed in the bill before us. We are trying to offer suggestions and ways of looking at the particulars of this bill and how we can be of help to the minister. It is interesting to note that in his answer the minister did not deal with a single point raised by my colleagues, the hon. member for Selkirk (Mr. Rowland) and my friend the hon. member for Waterloo (Mr. Saltsman).

Mr. Rowland: Am I not your friend too?

Mr. Burton: I assure the hon. member for Selkirk that he is my friend as well. The minister did not answer one of the points raised by those two members; instead, he raised the administrative point regarding the situation created by having to screen a much greater number of companies than will presumably be the case when this legislation passes the House and the other place.

If the minister wants to grapple with some of the problems involved in foreign ownership and takeovers he must give further consideration to the points raised by my two colleagues. He must do that if he really intends to do something with this legislation. However, we find the minister turning down these proposals carte blanche.

Quite frankly, I think administrative problems would be involved if this amendment were adopted and incorporated in the bill, but at the same time the minister must give some consideration to the proposal. He has not refuted in any way the proposition that there must be some concern over takeovers of small companies as well as companies larger than the minimum size specified in the bill. He has not given any indication that he will move in this direction. I can visualize several different approaches the minister might take if he is to tackle this question and take account of administrative problems. Again the minister has demonstrated he is not really prepared to get down to business and deal with problems with which he should be concerned.

Mr. Speaker: Is the House ready for the question on the motion now before us?

Some hon. Members: Question.

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

Some hon. Members: Carried.

Some hon. Members: No.

Mr. Speaker: Those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

[Mr. Pepin.]

Mr. Speaker: Pursuant to the Standing Order, the division will be postponed.

[*Translation*]

It being 4.30 p.m., it is my duty to interrupt proceedings pursuant to the provisions of the special order passed earlier today.

* * *

[*English*]

ST. LAWRENCE PORTS OPERATIONS BILL

MEASURE TO PROVIDE FOR RESUMPTION OF LONGSHORING AND RELATED OPERATIONS

Hon. Martin P. O'Connell (Minister of Labour) moved that Bill C-230, to provide for the resumption of the operation of the ports of Montreal, Trois-Rivières and Quebec, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

Mr. MacEachen: Mr. Speaker, I rise on a point of order. The suggestion was made earlier that this bill might be considered in committee of the whole. I have considered this proposal and am quite prepared, if it is the general wish of the House, to agree that the bill be sent to committee of the whole with the expectation that it will be dealt with without undue delay.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: The motion therefore will be that the bill be read the second time and referred to committee of the whole.

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, it is my unhappy duty to bring before this House a bill to terminate the illegal work stoppages at the St. Lawrence ports of Montreal, Quebec City and Trois-Rivières and to provide for the orderly resumption of operations at those ports. The government asks Parliament for this enactment because in its judgment the public and national interest require an end to this illegal situation and an end to the economic situation which is working severe hardship and damage not only on the three communites involved but on the country at large.

Acts of Parliament to terminate industrial disputes are infrequent. Indeed, it might not be going too far to say they are rare. There have been five acts over the past 30 years to bring an end to industrial disputes when the parties have failed to reach agreement in the normal process of collective bargaining. This bill, though, is exceptional for an additional reason. It does not terminate a collective bargaining dispute. It does not terminate that kind of dispute where a legal strike may be in progress. It does not terminate it in the sense that various differences between the two parties have been unable to be resolved.

• (1630)

Unlike previous acts of Parliament, this bill would terminate an unlawful situation, an unlawful strike which has been called after a three-year collective bargaining

agreement had been entered into in April of this year and at a time when a difference arose over the interpretation of clauses of that agreement. Subsequent to this basic source of dispute, that is to say, subsequent to the disagreement over what was the meaning of certain clauses and over what right the employer had to redeploy men in a certain fashion, there arose differences over the conditions of return to work under a contract which provided for a proper form of job security based on 37 guaranteed weeks of pay. This complex issue of return to work has become part of the difficulty in which we now find ourselves.

The debate in this House on Friday June 16 reviewed many of the basic issues in the current situation. However, I should like to place before the House now a factual account, a sequence of events which led up to this situation. On May 16 a work stoppage began. The basic issue which precipitated it was whether or not management had the right to break up longshoremen gangs prior to the introduction of the computer despatch system to be inaugurated approximately in mid-September. Management in Montreal took the initiative of breaking up work gangs and redeploying men not required to work a hatch to other work in a shed. The longshoremen's union contended management did not have this right until introduction of the computer despatch system, and the work stoppage began. I will come later to the question of the legality of the actions taken.

I immediately instructed our Montreal industrial specialist, Mr. Charles Poirier, to meet with the parties and urge that they refer this matter to arbitration as provided for in the collective agreement. Both sides declined to take that step. On May 15 I received a telegram from the MEA. If I may, I shall use the abbreviation MEA in referring to the Maritime Employers Association which is an association comprising some 51 stevedoring, shipping and other companies. The telegram requested I grant consent to prosecute the union for breach of contract. However, it was pointed out to the MEA that the appropriate remedy for the solution lay in the arbitration procedure of the collective agreement which provided that either party could initiate arbitration.

On May 30 the MEA announced that it had suspended the longshoremen. On June 5 I sent telegrams to both parties again urging that their differences be submitted to the procedure specified by law and asked them to advise me of their willingness to place their differences before the arbitrator named in the agreement. In a further exchange of telegrams in the next few days I continued to urge the parties to submit their dispute to arbitration. On June 19 I informed both parties that unless advised by return telegram that either party was ready to proceed to arbitration on the matter involved in violation of their collective agreement, it would be my intention to appoint an industrial inquiry commission to investigate the dispute, provided that the employers terminated the suspension of the longshoremen and provided that the longshoremen returned to work. I also indicated that I stood ready to meet the representatives of the parties in Ottawa at the earliest possible date to discuss such arrangements.

On June 20 and 21, together with my officials, I met with both parties in Ottawa to discuss the conditions which might be worked out for the lifting of the suspension and the return of the longshoremen to work. My position is, and has been, that there are four types of disputes dealt with in existing Canadian legislation governing the collective bargaining relationship: First, disputes as to representation of employees by a trade union. This is the normal dispute over union recognition. It is not the kind of dispute we are facing. Second, disputes as to the interpretation, application or violation of the provisions of a collective agreement. These are grievance disputes over rights. This is the kind of dispute we are facing. Third, disputes as to unfair labour practices. Fourth, disputes over the negotiation of conditions of employment to be included in a collective agreement. These are interest disputes.

The type of dispute with which we are concerned in this situation falls into the second one mentioned—disputes concerning the interpretation, application or violation of the provisions of a collective agreement. This type of dispute must, under existing legislation, be submitted to arbitration for final settlement which is binding on all parties and on all employees. The legislation requires that every collective agreement must contain a provision for the final settlement of disputes concerning its meaning or violation. Where such a provision is lacking, the Canada Labour Relations Board may prescribe a procedure for final settlement of grievance disputes. This is a distinctly Canadian procedure, dating from 1944.

The collective agreement between the International Longshoremen's Association and the Maritime Employers Association does set out the grievance procedure in article 5. I shall not read that procedure; we covered it fairly adequately in our debate on June 16. Subsequent to my meetings with the parties in Ottawa on June 22, the MEA advised me that it had decided to initiate arbitration and formally requested Judge Alan Gold, the first arbitrator named in the agreement, to arbitrate the issues in dispute. The union, however, refused to participate in the arbitration hearings which commenced on June 27. Union officers, with counsel, made an appearance at the arbitration hearings on Wednesday, June 28, only for the purpose of arguing that the issues in dispute were not arbitrable.

The arbitrator dealt with the four issues that had been submitted to him by the MEA and concluded as follows. I would like to read one or two pages which comprise the conclusions of the arbitrator since I think it would be valuable to all hon. members to have these in front of them. I quote from page 21 of the arbitrator's decision dated June 29 in Montreal.

• (1640)

It reads:

Dealing now with each head of the grievance I conclude as follows:

(1) In so far as article 501 I is concerned, it is evident that there was a dispute between the parties concerning the interpretation and the application of the collective agreement. Under the circumstances, the men were obliged to continue working in accordance with the orders given by management. Their failure to do so is a breach of this clause.

(2) In so far as article 501 J is concerned, it is equally clear that once these orders were given the president and the business agents of the union had no right to hinder or stop the progress of the work nor to

[*Translation*]

—nor to prevent the companies from exercising their right to determine and direct the methods and procedures of operation.

[*English*]

In intervening as they did and in taking the men off the job, the union, its president and its business agents clearly breached the provisions of this clause.

(3) In so far as article 6 is concerned, it is clear that the partial and total work stoppages that resulted were in direct contravention and breach of this clause and contrary to law.

(4) Article 911, the issue at the root of the dispute, is in a sense irrelevant in view of the larger issues involved, for even if the union were right in its pretension, which I do not believe, it was wrong to act as it did. It should have had recourse to the grievance procedure, the accepted method of dispute settlement under the collective agreement and the law.

The fact is, however, that on the merits of the question the union is wrong. If there is ambiguity between article 3 of the old agreement and article 911 of the new, it is readily dispelled by the clear terms of the memorandum of April 3, 1972.

Upon the proper construction of the new agreement and the memorandum, I must conclude that management's stand was correct. Whatever the practice may have been before, it is clear that under the new regime (including the transitional period awaiting the installation of the computer) the practice was to be changed.

In the result, I find that at all times material article 911 was in effect and the construction put upon its terms by management was in conformity with the agreement between the parties and that the orders given to the workers as a result were lawful and should have been obeyed.

Mr. Mulroney—

I should like to say here that Mr. Mulroney is counsel for the Maritime Employers Association.

—has indicated that although he is entitled to ask for damages against the union he does not do so before me but instead reserves his right for the future. In the result, I find it unnecessary to decide whether or not the grievance, as drafted, is wide enough to encompass such a demand.

Counsel has also asked me to suspend Mr. Jean-Marc St-Onge, president of the union, and Messrs. Claude Guay, Theodore Beaudin and Jean-Baptiste Tremblay, business agents, from any activity on the Port of Montreal for a period of at least five years and to order that their names be struck for life from the registers of the job security fund. While the conduct of these gentlemen undoubtedly merits the severest sanctions, I do not believe that within the narrow compass of the grievance as filed with me I have the authority to apply them. These were not issues of which they had notice and which they might have met had such notice been given to them.

For the foregoing reasons the grievance herein is hereby maintained

[*French*]

—à toutes fins que de droit,—

[*English*]

and I hereby find and declare:

(1) That the union and its members have violated the provisions of article 501 I of the collective agreement;

(2) That the union, its president, Mr. Jean-Marc St-Onge and its business agents, Messrs. Claude Guay, Theodore Beaudin and Jean-Baptiste Tremblay, have violated article 501 J of the said agreement;

(3) That the strike by the union and its members is illegal, constituting work stoppages in violation of article 6 of the agreement and contrary to law;

(4) That the construction placed by management upon article 911 of the agreement was correct and that the orders given in consequence were lawful and should have been obeyed by the employees concerned.

Montreal, June 29, 1972

Alan B. Gold,

Arbitrator.

Following the release of the arbitrator's report, the ILA held a meeting and decided that they would not accept the arbitrator's award.

As I indicated earlier, I could not offer the parties mediation services until the provisions of the law and the provisions of the collective agreement in respect of arbitration had been utilized. However, once the arbitrator had made his report, the situation was such that I could proffer mediation on the issues impeding the lifting of suspensions and the return to work.

On Friday, June 30, I directed the Deputy Minister, Mr. Bernard Wilson, and the Assistant Deputy Minister, Industrial Relations, Mr. W. P. Kelly, to proceed to Montreal with a view to arranging meetings between the MEA and the ILA and, if possible, to mediate conditions that would enable the ports to be re-opened.

The key issues involved in a return to work appeared to be the lifting of the suspension of the employees by the employers, agreement by the union and employees to accept the arbitrator's awards and return to work, the calling back to work of the employees as and when work became available, and the most important item which had to do with the job security provisions of the collective agreement. My officials conducted intensive mediation over the holiday weekend for some four days and when it was evident that the parties could not reach agreement, they submitted a detailed proposal recommending the conditions which should prevail to bring about lifting of the suspensions and a return to work. The recommendations were to be submitted to union meetings on July 4, yesterday, and the MEA was to consider the proposal the same day.

I have heard officially from the parties to the dispute in telegrams which I have here with me. I should indicate to the House that late last evening I received a telegram from the Maritime Employers Association which I will read in whole. It reads as follows:

The Maritime Employers Association accepts the proposal outlined in your return to work arrangement dated July 3, 1972 for the ports of Montreal, Quebec and Trois-Rivières.

A. E. Masters

President M.E.A.

• (1650)

I received official notice, although informal notice was available earlier, early this afternoon from Mr. Norman Quigley, international vice-president of the longshoremen's union and president of the local at Trois-Rivières, and in his wire he speaks for the two locals situated at Trois-Rivières and Quebec City. I will read his telegram. It, too, is short.

Dear Sir,

Memberships of local 1846 and 1739 have accepted proposals made by government representatives with one condition that any legal procedures will not be taken against any officers or members and union of above mentioned local.

The reference to legal procedures is to legal procedures initiated by various employers with respect to the illegal work stoppage. I have received a wire today from Mr. St. Onge, president of local 375 of Montreal. Perhaps I should read that in full, but it is rather lengthy.

Mr. Minister, following the recommendations made by your deputy minister on July 3, the International Longshoremen's Association, local 375, held a special general meeting of its membership in Montreal on July 4. While accepting the principle of returning to work as soon as possible, the members of the association have unanimously decided to reject the recommendation concerning the suspension of the job security plan until October 15, 1972 , a date which was deemed totally unacceptable. The members have set as a condition for returning to work that the job guarantee be restored approximately one week after the activities are resumed in the port of Montreal and that management give up the idea of any legal proceedings and action against the union and its officers. The officers of the association are available to meet you at any time in order to reach a satisfactory agreement whereby work can be resumed as soon as possible.

Those were the responses, Mr. Speaker. Work in fact is not being resumed at the ports and in the circumstances I have to assume that the proposals of mediation have not been successful in bringing about a termination of the dispute and that the proposals have in fact been rejected. May I now come to the principles in this bill.

Mr. Peters: Would the minister permit a question? Was part of the agreement that the court action that was contemplated was left in abeyance? Was this part of the recommendation?

Mr. O'Connell: No, Mr. Speaker; the question of court action was no part of the proposals put forward by the mediators. If the House would like me to read the proposals, I will do so. It might take me a moment to locate them.

Mr. Peters: The question I was really asking is this: Is this a new factor in the negotiations that your deputy minister had undertaken? Has this been added since, or was it part of the negotiations in which he had been involved and in the proposition that he put forward to the parties on June 3?

Mr. O'Connell: Mr. Speaker, I will check into that to be absolutely precise, but my preliminary answer is that the question of legal action did not enter into the main negotiations, that the proposals had been worked out prior to that issue arising, that Mr. St. Onge raised it at the last moment as he was leaving. But I will check into these factors. I would like to report again, to be absolutely precise on this point.

The bill before us, if enacted by Parliament, expresses the will of this Parliament that the ports be reopened. It expresses the national interest, that the public interest lies in the opening of these ports. The object of the bill, as hon. members will see, is to achieve the resumption of longshoring and related operations in the three ports of Montreal, Quebec City and Trois-Rivières. In the bill we notice the requirement that each employer must resume longshoring and related operations in the ports of Montreal, Quebec City and Trois-Rivières immediately after the bill comes into force. That is set forth in clause 3. Second, each union officer must give notice to the members of the union that any strike declaration, authorization or direction previously given is invalid. That is in clause 4. Each union officer must comply with any order or request for the dispatch of longshoremen. Again that is in clause 4.

Every longshoreman coming under the collective agreement must, when so required, return to the duties of his employment. That is laid out in clause 5. Again, according to clause 5 union officials shall not impede or prevent, or attempt to impede or prevent the longshoremen from returning to work. Clause 6 provides that a further strike or lockout is prohibited under the terms of the collective agreement. This clause in substance repeats a section of the Canada Labour Code, section 128, except that it also forbids a union officer from declaring or otherwise authorizing a strike which is not provided for in the legislation already in force.

Clause 7 relates to the job security plan, which is a major impediment to returning to work. Clause 7 suspends the provisions relating to the job security plan in the collective agreement until such date as an arbitrator may specify for the resumption of operation of the plan. Under clause 7(2) an arbitrator may fix the date on which the plan will come into effect and may make such modifications to the plan as are required to give effect to it. That is an important part of the bill in front of us, Mr. Speaker. I trust all hon. members are aware of the job security plan. It is that very particular plan in this collective agreement which provides 37 guaranteed weeks of pay to the longshoremen whether in fact they are working or not. The difficulty would immediately be apparent to hon. members that if men report for work but there is no work to be done, the employer is not in a position to live up to the guarantee written into the agreement.

Again, clause 7 suspends those provisions until an arbitrator, considering all of the factors, specifies a date for the operation of the plan, and necessarily in that event the original plan becomes modified and he is given the power under this bill to make such modifications to the plan as are required to give effect to it on the date selected.

Clause 8 provides that the minister may in the future refer a matter in dispute to arbitration if the parties do not do so within a reasonable time. The final clause provides for the coming into force of the bill on the day following its being assented to, and that it expires with the collective agreement on December 31, 1974, unless earlier by proclamation.

• (1700)

I think those are the main facts of the situation, Mr. Speaker. The main reason for coming to Parliament at this time is to ask it to do what it is asked very infrequently to do in the federal jurisdiction but must be asked to do when facilities of such national importance as these three St. Lawrence docks have been closed going into the eighth week in circumstances which give us no assurance that they will be reopened in the near future, and when the public interest has been clearly engaged to the extent that it has. I would, therefore, ask Parliament to support the government in this bill.

Mr. Valade: Mr. Speaker, I just want to ask a question of the minister, if you will allow it.

Mr. Speaker: Order, please.

[*Translation*]

Order, please. The hon. member for Sainte-Marie wishes to ask a question to the minister. He can do so provided the minister is agreeable. I think that the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) also wants to direct a question to the minister.

[*English*]

Will the minister entertain questions at this time before he resumes his seat?

Mr. O'Connell: Yes, Mr. Speaker, I would be pleased to answer questions.

Mr. Valade: Mr. Speaker, I just want to clarify something. Can he tell the House why in clause 7(1) he did not use the recommendations suggested by his own mediator to both parties? In paragraph 3 we have a specific date for the application of job security or limit of job security. I think the minister has this document before him; it is the one he was supposed to refer to earlier. Why was this condition not included in clause 7(1) of the bill? Is there a reason?

Mr. O'Connell: Yes, Mr. Speaker, consideration was given to that possibility. If a date were put in by legislation it would, in effect, ask this House to enter into one of the issues in dispute. I did not want to do that.

Mr. Lewis: Hear, hear!

Mr. O'Connell: Secondly, this House is not in possession of the economic facts and the financial factors involved. I did not think it appropriate, in the time we have available, to ask hon. members to go into an investigation of the equity of setting October 15 or September 15 or any other date. That is a very complicated matter and it seemed more appropriate to leave that question for determination by an arbitrator who can hear all of the required evidence, rather than to ask members to give to that their technical judgment.

Some hon. Members: Hear, hear!

Mr. Allmand: I should like to put this question to the minister. Why did he not put any clauses containing sanctions in the bill? Would he tell the House what range of sanctions he feels the government has available to it if the provisions of the bill are not followed?

Mr. O'Connell: Mr. Speaker, on the first part of that question, I would answer this way. This bill is based on the presumption that when Parliament has clearly expressed its will, and has represented the public interest to the parties in this dispute, they will conform to the specific and express will of Parliament. Second, this is based on the constructive approach to the relationships between the two parties to bring about not only an early resumption of work but constructive relationships for the future. It is not that there are no sanctions behind a bill of this kind.

In answer to the second part of the question, let me quote from section 115 of the Criminal Code of Canada which relates to the disobedience of a statute of this Parliament:

> Everyone who, without lawful excuse, contravenes an act of the Parliament of Canada by wilfully doing anything that it forbids or by wilfully omitting to do anything that it requires to be done is, unless some penalty or punishment is expressly provided by law, guilty of an indictable offence and is liable to imprisonment for two years.

Other provisions of the Code, Mr. Speaker, particularly section 646, provide that fines may be imposed in lieu of imprisonment. I think that answers the question.

Mr. Speaker: The hon. member for Hamilton West.

Mr. Alexander: Mr. Speaker—

Mr. Speaker: Order, please. I must apologize to the hon. member for Hamilton West. I see the hon. member for Sault Ste. Marie (Mr. Murphy) is also seeking the floor to ask a question. I think I should bring to the attention of all members that we are not yet in committee. It seems to me that some of the questions that are being asked now may very well be asked when we reach committee stage. I suggest to hon. members that we proceed in an orderly fashion and wait to give the minister the opportunity to answer questions.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to say that at this stage we take a very dim view of the makeshift approach exhibited by the activities of this government in the introduction of this bill. As I understand it, they have had this bill drafted for the past two and a half weeks, yet today the government House leader did not have it available for the scrutiny of members. I think all members would have liked to have had an opportunity to see it. He gave us some excuse about printing or something of that nature which meant that another hour passed before we were able to see the bill. When we were brought back here because the public interest was adversely affected, knowing that a bill would be presented, I say the least this government could have done was to have had this bill immediately available for the scrutiny of the opposition.

Some hon. Members: Hear, hear!

Mr. Alexander: Mr. Speaker, I can understand that the minister and the government did not want to become involved with the collective bargaining process because, after all, this process is supposed to settle everything. The minister did not want to intervene because, as he said, if he did that would be the end of the collective bargaining process. What disturbs me, Mr. Speaker, is that a pattern has been set. We have seen a collective agreement ignored, we have seen the Minister of Labour (Mr. O'Connell's) directives ignored, we have seen the Quebec Superior Court ignored and we have seen Mr. Justice Gold's arbitration award ignored. Mr. Speaker, the third party involved, the general public was ignored; the national interest was ignored.

All I can say is that this strike has been disastrous, has been catastrophic, in its effects. Surely, one does not have to go into great detail in order to point out that it has inflicted severe economic loss. I say, Mr. Speaker, that it has inflicted inconvenience upon the nation. I say, Mr. Speaker, that it has created unemployment, that all these

losses are damaging to the economy and well-being of this country. They are irreparable, Mr. Speaker.

I understand that some 100 ships have been turned away from the ports of Montreal, Trois-Rivières and Quebec. I understand shipping agents have announced their intention to seek other ports through which they can discharge their goods. What does this mean? It means that the entire St. Lawrence Seaway and the port of Montreal have been drastically affected, and as a result that this nation has been drastically affected.

• (1710)

Let us consider some figures relating to the port of Montreal. All cargoes handled at National Harbours Board ports in Canada during 1971 totalled a record of 93.7 million tons, up 7.9 per cent from 1970. The port of Montreal, however, shows a decline of 5.4 per cent, to 23-odd million tons, in the same period. And what has the strike done? Has it alleviated that situation? No, it has aggravated it.

To be honest, I must concede that as a result of what has happened in Montreal the Atlantic provinces have profited. I am sure that the port of Hamilton has profited. However, I am not here to speak about any profit that may come to some as a result of hardship that may be endured in any other area of the country. In the long run we shall all be worse off. What I am speaking about is the public interest of the entire country to which I belong.

Some hon. Members: Hear, hear!

Mr. Alexander: That is why I do not hesitate to stand up and speak on this bill. Everything that comes to mind about this government can be boiled down to a word I heard many years ago before I came to this House, namely, "indecision". There have been some 40 days of indecision on the part of this government. For some reason or other it suddenly awoke to the fact that the most important party in those negotiations was not management nor labour but was the consumer, the Canadian people. It suddenly realized that the public interest must prevail. We on this side of the House have said that constantly. We have said that the public interest must prevail, if necessary to the detriment of the two parties involved in the dispute.

Some hon. Members: Hear, hear!

Mr. Alexander: I cannot understand nor do I accept the principle enunciated by the minister, when he said he could not move until such time as the parties followed the terms of the collective agreement.

An hon. Member: He did not know how to act.

Mr. Alexander: Is the minister telling me that if the strike lasted another month and a half—I admit that the parties have not yet got together—the public interest would not suffer even longer? In the absence of any attempt on the part of the parties to abide by Judge Gold's decision, the strike would last longer. Surely, Mr. Speaker, there is a time when governments must face their public responsibilities.

Some hon. Members: Hear, hear!

Mr. Alexander: I wonder why this government has delayed acting for so long. Is it afraid of the union leadership? Is it afraid of the employers' association?

An hon. Member: Sure it is.

Mr. Alexander: We on this side are not so afraid—

Some hon. Members: Oh, oh!

Mr. Alexander: —and I come from a labour city.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Alexander: My friends may laugh and snicker. Which party was it that said, "Let's get tough; let us show the people that the public interest must prevail." That statement did not come from the backbenches to the right of Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Alexander: We are not concerned about management and labour as such. We are only concerned about them as they exist in the whole system of our economy.

Mr. McCleave: Hear, hear!

Mr. Alexander: Those little ol' backbenchers may smile but they had a rude awakening when the minister brought in a measure they did not think he would bring in.

An hon. Member: He never intended to.

An hon. Member: Oh, oh!

Mr. Alexander: The one thing that bothers me is the government's answer to a question—

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: May we have order, please.

Mr. Alexander: Mr. Speaker, we did not go home on June 30 and I guess hon. members can take their time. We shall be here, I hope, until Friday. Let me say that we do not intend unnecessarily to block passage of this bill. Actually, we are not going to block it at all.

An hon. Member: Cut short your speech, then.

Mr. Lambert (Edmonton West): Why? Just because the government brought this bill in?

Mr. Alexander: We are concerned about the men returning to work, about the employers' ships moving again and about the economy being able to move forward again. That is what we are concerned about.

Some hon. Members: Hear, hear!

Mr. Alexander: I do not know if this bill will work. I do not know if union or management will accept the terms of arbitration regarding job security.

Mr. Diefenbaker: There is no serious penalty for contravening.

Mr. Alexander: I do not know whether clause 7 is acceptable. I want to know why the proposals of the Deputy Minister of Labour, a man with unquestioned expertise in labour matters, were not accepted. Of course, this has already been explained. After four days of negotiation he came forward with certain proposals. Mr. Speaker, the deputy minister knows in which direction we ought to move. He came forward with certain proposals, but this bill does not incorporate them.

I heard the minister say he did not want Parliament to intervene in matters which should be left to the collective bargaining process. Don't give me that nonsense! The government brought in Bill C-183 by which it permitted agreements to be altered if technological change was involved. The government acted effectively in that regard and thought nothing of it. Why? It acted in that field because that was not as contentious an issue as the one we are now considering. The government stayed clear of this issue. It ignored the recommendations of one of the best men that it has in the entire department. Its excuse for not including them is weak and unacceptable.

Some hon. Members: Hear, hear!

Mr. Alexander: Let me read what the deputy minister brought forward:

1. The union accepts the arbitration award of June 29, subject to any rights of appeal that it may wish to exercise.

2. The suspension of all of the employees, including permanent employees, will be lifted immediately and they will be called back to work as and when work becomes available.

3. The job security provisions in the collective agreements will not be given effect from the date of return to work until midnight on October 15, 1972. The job security provisions will apply in full during the remainder of 1972 and during 1973 and 1974 as set out in the collective agreements.

4. Vacation pay due under the collective agreements will be paid to the employees as soon as it is possible to have staff available to issue the cheques.

Again, I want to know why the suggestions of a man of great calibre, a man who was given all available assistance by the Department of Labour and who sat in consultation with management and with the longshoremen's union, were ignored. Why did the minister leave his proposals out? Surely the deputy minister had good reason for putting them forward.

Consider the matter of job security which would involve, I think, for each man 35 weeks at about $188 a week. That comes to a lot of money. If these men go back to work, and if the job security part of the agreement is to operate immediately, where is the money to come from? You must remember that in the collective agreement provisions were made not only for that matter but also for a pension scheme that was admirable. So if some sort of time lag is not introduced here, somebody will be in trouble. I expect that the arbitrator who will be involved in this matter will be cognizant of that particular set of circumstances. I do not know why they are not spelled out in the bill. The minister tried to explain this matter.

Let me run over some other matters. Other spokesmen will speak on this. I am pleased to see that the government House leader, after having been enlightened by members of the opposition, agreed that this matter should be considered in committee of the whole. Why not? I know that there is the question of calling witnesses, but surely we know what the situation is all about. The papers have been full of it for the past seven weeks. We have a fair idea. The idea is to get people back to work, not to hear the same arguments over again.

[Mr. Diefenbaker.]

• (1720)

Some hon. Members: Hear, hear!

Mr. Alexander: The idea is to let those who wish to condemn the government because of their ineptitude stand up and talk about it. On the other hand, I know that the government likes to play games. They have the foreign takeovers bill and the FISP program.

Mr. Pepin: Hear, hear!

Mr. Alexander: I hear the Minister of Industry, Trade and Commerce (Mr. Pepin). He must feel like a lost soul, along with the Minister of National Health and Welfare (Mr. Munro). They cannot seem to get anywhere. If they had presented proper bills, those bills would have been passed forthwith. We cannot let that kind of nonsense go to the people.

The disheartening thing about this situation is that after three years of work, we have to intervene. After three years of work by many people, federal department mediators, union representatives and employers as well as a number of committees, an historic document was prepared. I see the former Minister of Labour, the Minister of Manpower and Immigration (Mr. Mackasey), smiling. With all respect to the present Minister of Labour (Mr. O'Connell), it was through the efforts of the former Minister of Labour that attempts were made to resolve these situations prior to them confronting the country. A significant agreement was ratified on March 29, 1970 by the Maritime Employers Association and the International Longshoremans Association, local 371, affecting 3,200 longshoremen. The terms were important. The unions agreed to give up featherbedding. This was the most important thing.

An hon. Member: Oh, oh!

Mr. Alexander: If you do not know what it is all about, read the collective agreement. Management agreed to meet some of the union's most serious claims. Management agreed to ironclad job security and a vastly improved pension plan. Why the strike? This was supposed to be the classic document which would help put the collective bargaining process on the road. What happened? I do not want to be repetitious. We know what happened. Why the strike? As I understand it, and I can be checked if I am wrong, it was based on the contention that the employers tried to break up the 16 member gang system before the computer could do it properly in September. Does that really make sense? This is how the whole thing started.

Let me tell you what the collective agreement states. I remember the Minister of Labour saying that they must go to arbitration if they have a grievance. The document to which I am referring is approximately one half inch thick. It covers everything you could mention. It provides for a grievance procedure. I may be paraphrasing, but it

states that if you have a grievance you have to follow the arbitration proceedings that were determined after three years of blood, sweat and tears. The agreement reads:

A request for arbitration may be initiated by either the union or the Maritime Employers Association. The party requesting the arbitration shall set forth in writing the matter submitted to the arbitrator and send a copy of it to the other party.

I do not know what happened to that provision. It sounds simple. As a matter of fact, after three years of work, we had a very simple solution; submit your grievances to arbitration. This is how we were going to solve our problem.

There is another matter to which the minister did not refer. Possibly he did not have time. My time is running out also. The agreement reads:

Pending disposal of a dispute in accordance with the arbitration procedure,—

This is spelled out on a page and a half.

—men will work as instructed by the companies subject to the provisions contained dealing with help and safety.

I did not make that up. It is in the agreement that was signed by the two respective parties. I could be repetitious and say, as someone else has said, the agreement does not count. The procedure is set out right there. There is one clause in the agreement that should be put on the record because it reveals the hypocrisy of the situation that existed until the government had the intestinal fortitude to bring in this bill. I may be quoting out of context, but it reads:

In view of the orderly arrangements provided by this agreement for the settling of grievances, the union agrees with the companies that during the lifetime of this agreement—

Incidentally, it is a three year agreement.

—there shall be no strikes, slowdowns or stoppages of work, either complete or partial, and the companies agree there will be no lock-out.

Did you know that was in the agreement? What is the collective agreement worth? I did not know it was in the agreement until I saw it three or four days ago.

Mr. Lewis: It is in every other agreement.

Mr. Alexander: You will get your turn to speak, and I know the approach you will take.

Mr. Lewis: It is in all the agreements.

Mr. Alexander: It may be. I ask you, Mr. Speaker, why do the parties not abide by that provision after the three years of blood, sweat and tears it took to arrive at an agreement? It is all right for the leader of the New Democratic Party to say that this clause is in all the agreements, but this is pretty important. It was not drafted overnight by two 15 cent lawyers.

An hon. Member: Who are they?

Mr. Alexander: There are a few. Others will likely want to speak on this bill. As I have already said, we are not going to prolong this matter. However, certain positions, facts and problems have not been explored. They should not only be placed before this government and the members of this House, but the people of Canada.

In closing, I wish to refer to a speech that I was going to give somewhere at some time. It is extremely appropriate at this time.

Many Canadians believe that labour-management relations, whether in the public or private sector, appear to be more concerned about and involved with confrontation rather than negotiation, thereby leaving a lot to be desired in the area of collective bargaining. The whole collective bargaining system is presently under serious attack and question and one is constantly reminded of its imperfections. This case is a classic one when we cite the agreement that was signed in March of 1972. In particular, the strike which is an integral and hard won part of the process, has not escaped serious questioning.

It takes only one or two strikes or the threat of them, particularly in areas where it appears the public interest in terms of health, safety and general well-being of the individual is, or could be, adversely affected, to raise cries about the failure of the collective bargaining system, the need for some alternatives and the need for legislation banning strikes. This growing attitude towards strikes stems in part from the fact that more people who are not involved in union or management, and even some within that area, now realize that strikes are neither against the government nor the private employer, but against them, the ultimate consumers, the vast majority of whom have not been represented at the bargaining table.

That is the point we have to be concerned about today. That is the point I want to emphasize. We must move in the direction of being cognizant of the third party who is not represented at the bargaining table. More Canadians are becoming increasingly alarmed about the disruptive nature of the strike and point to the seaway strike in 1968, the postal strikes of 1968, 1970 and 1972, the strikes of the air traffic controllers as well as electronic technicians, CBC technicians and now the longshoremen. All of these, as I have said, have inflicted economic loss on the nation and created unemployment, thereby giving Canadians reason to demand from the government action for the protection of the public interest and that it carry out its public responsibility. This demand, to me, in view of all the circumstances, is not unreasonable nor unwarranted because the public interest must prevail.

• (1730)

As I have said, Mr. Speaker, we will be pleased to discuss the bill further. We have not really had an opportunity to digest it, but by the time it gets through committee of the whole I am sure it will be a bill that has been given proper consideration in the time allowed. I anxiously await its early second reading and passage so we can get the economy moving again and open the ports of Montreal, Quebec and Trois-Rivières.

Mr. Broadbent: Hurry up, then.

Mr. Alexander: I hear a comment from the hon. member for Oshawa-Whitby (Mr. Broadbent). He may not get an opportunity to speak tonight. But let us keep in mind that even if the longshoremen go back to work, it will take about a month to get these ports moving again. Until then, I hear that the employees will have lost some $12.5 million in salary and that the damage and loss of income to the

ports, according to the Minister of Industry, Trade and Commerce, will be incalculable. So let us put the show on the road again, and quickly.

Mr. David Lewis (York South): Mr. Speaker, may I begin my remarks by informing you, Sir, and the minister, who I am sorry has had to leave the House, that as far as my colleagues and I are concerned we intend to support the principle of this bill, though it is my intention to draw to the minister's attention one part of it which in my view needs careful consideration. I had not intended to speak very long and I still do not since the issues seem to me to be very clear.

I want to say to my good friend—I hope we will still be friends—the hon. member for Hamilton West (Mr. Alexander) that I have listened to him make speeches on labour relations on a good number of occasions, including the speech he made today, but his studied attempt to be in both camps at the same time is not going to stand him or his party in very good stead. He is invariably talking about the rights of management, as he did in this case, and says he is in favour of the rights of labour. But he then proceeds to make a speech that obviously condemns labour and strikes, and says he wants the government to intervene without defining when he wants it to intervene. As far as I am concerned, he left the implication that the government ought to intervene on the first day of any strike which he decides is against the public interest.

As a matter of fact, every one of the hon. member's amendments to the labour code dealing with technological change was an attempt to weaken the provisions put before the House, provisions that were not very strong. I do not think it serves the interests of labour and management, nor does it serve the public interest, to make the kind of statements on both sides of the issue in this case, as well as in other cases, that I listened to a few moments ago.

The hon. member for Hamilton West resented an interjection that I made. He said that he did not know there was a clause in the collective agreement providing that, pending the arbitration procedure, everyone has to obey the collective agreement. I simply said to him that this is in every collective agreement, merely informing him that those who are acquainted with labour relations do not even have to see the particular clause. Not only is it in every collective agreement, it is in the law of Canada and in every act dealing with labour relations in this country. So there was not any problem about that particular situation.

Mr. Alexander: Just get on with the bill.

Mr. Lewis: That is what I wish the hon. member had done. He did not come to the bill until he had fumed and fumigated for about half an hour. I support this bill because both the employers and the union concerned left Parliament no alternative but to act. In my opinion both the employers and the unions in this case acted in a thoroughly indefensible way, a way that it is not possible for me to support even though the members of this House know my general support for labour, trade unionism, and indeed for strikes when they become unavoidable in negotiations between parties.

[Mr. Alexander.]

However, I make no qualification of my statement that the unions in this case acted not only against their own interests in the ports of Montreal, Quebec and Trois-Rivières but against the interests of labour and trade unionism in this country. They have aroused objections in the minds of the ordinary people of Canada which responsible union leadership ought not to have aroused.

It is impossible to have a labour relations regime if one party to a collective agreement can say, for example, that it rejects an arbitrator's award. Let me remind my friends in the International Longshoremen's Association—years ago before I was elected to Parliament I acted for that association in Toronto and Hamilton and I have known them for a long time—that if it is possible for them to refuse to accept the award of an arbitrator when the award goes against them, they are setting a precedent for the employer to refuse to accept the award of an arbitrator when it goes against the employer. Along that road lies chaos in labour relations; along that road lies the destruction of the collective bargaining process. No labour organization in this country has the right to endanger and to jeopardize the collective bargaining process and the power of a collective agreement in this way.

Even though it were legally indefensible, I can still appreciate the employees going on an illegal walkout since at the start the employers committed an act that they ought to have known would provoke an unlawful strike. That is why I said that the employers were guilty of irresponsible behaviour in this case. You do not have to be a genius or be required to know the operations on the waterfront, even as intimately as I learned them during years of working with the International Longshoremen, to know perfectly well that when an employer takes the step of reducing the gangs and ordering people to work elsewhere than they expected to work, in the knowledge that the union did not believe that such right existed at the time, the employer is provoking a stoppage of work. The employer in this case was utterly irresponsible in taking that step, in the full knowledge that the reaction inevitably would be the employees downing tools and walking out.

I think the unions fell into a trap. I have known many cases where an employer provokes a situation in order to reduce the benefits provided by a collective agreement that he had signed. The unions fell into that trap which was set for them. The changing of the gang, knowing that would result in a stoppage of work, was deliberate because the employers began to fear the job security provisions they had agreed to, and this is frequently the case. The unions fell into that trap with the result that we now have legislation under which the job security plan will again be looked at by the arbitrator even though the employees thought they had an agreement last April.

• (1740)

It was a great mistake to fall into that trap. I can appreciate the workers going out on strike at that moment when they felt the collective agreement was being ignored and destroyed and that going through grievance procedures would cause delays, with fears about what the arbitrator might or might not say. I can appreciate that, but as a Canadian and as a Member of Parliament I cannot agree with that strike being continued for eight weeks.

In this connection I cannot agree with the minister when he said throughout that he could not intervene as long as the law was being broken and wanted the law obeyed before he did so. I suggest to the Minister of Labour (Mr. O'Connell)—I am sorry I say this in his absence—that that is not a very profound remark. The situation after Judge Gold's award was no different from the situation before. The minister was in no more of a moral situation to intervene after Judge Gold's award came down than he was before. This is sheer nonsense on his part. He was simply sitting and hoping that the situation would improve without his having to intervene. I think he was wrong and I do not think he ought ever to do it again.

When the Minister of Labour sees a difficult situation, and he did not require very much to see that this was difficult and the strike is in danger of being dragged on much longer, then he ought not to hide behind some kind of legalism. He ought to have sent his deputy minister and others mediators in his department down to Montreal after three or four weeks of the strike to see what they could do. I suspect the situation would have been much easier to deal with then.

This is where the mistake of the minister comes in. This is where his behaviour is really attackable and cannot be defended. Four or five weeks ago the situation would have been much easier. Losses to the ports would not have been as great. The problem of creating the funds to meet the job security provisions of the agreement would not have been as great, and losses to management would have been less. The whole problem would have been very much easier to solve three or four weeks after the strike began instead of eight weeks later when everything is bitter and has soured and when losses to the ports, the employees and management have grown to very large proportions.

I think the criticism of the hon. member for Hamilton West in that connection is directly justified. The minister would have been much better off and certainly the situation in Montreal much more sensible and in the interest of Canada if the minister had intervened earlier; I do not mean by legislation but by sending his people down to seek a settlement four weeks ago and if that did not work, going himself to Montreal. I indicated this in a question I asked him a couple of weeks ago, suggesting that he should have gone with the authority of the Minister of Labour seeking a settlement. It would have been much easier to do so, particularly with regard to job security, long before the losses which have taken place did take place.

I believe it is important to underline that strikes in large areas and in large industries are no longer matters which concern only those directly affected, and even for those that are directly affected it is necessary to consider pretty carefully what the situation is and what the consequences will be. It is necessary to underline, and I believe this with all my heart, that the right to strike is a necessary right in a democratic society.

It is important, also, to underline that because people have the right does not necessarily mean they should exercise it without consideration for the public well-being and without consideration for their own future and the future of the industry they serve. That goes double as far as I am concerned for the kind of work stoppage which is contrary both to the collective agreement and the law. It does not make sense to break a collective agreement, at least for as long as has been the case here. I say that because sometimes you have a stoppage out of frustration, anger and a feeling you have been let down and it can be appreciated that this happens if it lasts a limited and reasonable length of time. When it goes on doggedly and obstinately for as long as it has in this case, I say the action is not defensible on the part of the union and its members and that legislation which is now before us, or some legislation, was both inevitable and necessary.

Because I get a little fed up by statements frequently made about union bosses doing things, I also want to underline that it was not the union bosses in this case but the membership of those unions that voted. This is the case in many situations. This is why I repeat my condemnation of the employers who knew what the waterfront is like and knew what they did in breaking up the gangs would necessarily provoke a strike. They ought not to have done this in the way in which it was done.

I think the minister ought to look carefully at one part of the principle of this bill, and that is the power it gives the arbitrator under clause 7. I mention it now in the hope that he will consider it. What he does in clause 7 is give the arbitrator two powers. One is to set out when the job security plan may come into effect. Contrary to the suggestion of the hon. member for Hamilton West, I agree that the minister ought not to have included that date in the bill. The minister gave one reason, namely, that he did not want to carry on negotiations through this bill.

I should like to give another reason, which is that the union has already rejected the October 15 date suggested by Mr. Wilson and Mr. Kelly of the labour department, and it would have been the height of provocation for this Parliament to pass into law a date which had already been considered by the parties and rejected by one of them. The minister was right, for both reasons, not to have included the date in clause 7 but to leave it to arbitration.

The arbitration award of Judge Gold, as I understand it, was an award made in a sense in the absence of the union. The union spokesmen were there merely to argue that the matters referred to the arbitrator were not arbitrable. After that, the lawyers for the union sat through the proceedings not opening their mouths, without saying a word, without examining the witnesses, producing evidence or producing arguments. That is my information. If I am correct, then despite the reputation of Judge Gold, which I am sure is fully justified, I would not be terribly impressed by an award which is made on the evidence and argument presented by only one side to the dispute.

It is conceivable that if the other side had produced evidence and argument the judge might have been influenced to go in another direction. I do not know that, but the fact is that his award was based on the evidence and arguments presented by only the management side to the dispute. The union, for reasons of its own, which I find unacceptable, decided not to participate in the arbitration.

• (1750)

So, I would not rely on an award of an arbitrator given in those circumstances. I think the minister was right in not putting the date into the law, both because it is not Parliament's job to make that kind of a decision and because the union had already rejected that date and ought to have an opportunity to present to the arbitrator its reasons and arguments for another date, whatever the date may be. On behalf of my colleagues and myself I express agreement with the approach taken in clause 7 on this point. But in addition to giving the arbitrator the power to set the date for applying the job security plans, this bill also gives the arbitrator authority to modify the plan and the wording for that authority is so wide that the arbitrator, as I read it and I am sure I am not making an error, is given authority to change the entire ambit of the plan not only in respect of the date and not only in respect of those things which affect the date but also in respect of the entire plan. I do not see any need for this.

I ask the minister, as earnestly as I can, that Parliament not be asked to do this and that he give some thought overnight to changing that. I have made pretty careful inquiries and I understand that during the negotiation, and during the mediation proceedings, management, the MEA, made clear, so far as the next two years of the agreement are concerned, 1973 and 1974, that at this stage they see no reason the job security plan should not function in its totality in those two years, assuming of course that there is not another stoppage of work of the kind we have had. If that is so, I see no reason why the arbitrator be given authority under this bill to do violence to the agreement of the parties in 1973 and 1974. I see no reason that clause 7 of the bill could not be amended when we get to the committee stage,—I mention this now so that the minister may consider it—so that the arbitrator is not given that power for 1973 and 1974. The clause could, as I say, suggest he has the power of modification in respect of the date and matters relating to it, but has not the power of modification of the plans as they apply to the years 1973 and 1974.

I say to the minister that my suggestion to him is all the more valid and should be given all the more consideration because of clause 8 of this bill which, if I read it correctly and I have read it several times, gives the minister authority to send a dispute to arbitration under the collective agreement if management or the union fail to do so within a reasonable time. With that proviso, with the power in his hands to send any dispute to arbitration if the parties to the dispute do not do so, he is all the safer in accepting the suggestion I make to him. If something should erupt in 1973 with regard to the job security plan he would be in a position immediately to send the matter to arbitration if the parties did not do so. I, therefore, urge him as strongly as I can to limit the authority of the arbitrator which, under clause 7 as now worded, is far too wide and may cause difficulty in Montreal in respect of the law he is asking us to pass. It is unnecessary for the purpose he wants to serve.

I said, Mr. Speaker, that I would not speak for long and I have come to the end of my remarks because, like every other member of Parliament and I am no more righteous about it than anyone else, I want to see this law passed as quickly as possible. But the passage of this law by Parliament will not end the problem. Let us be frank. After all both parties to the dispute in Montreal, Quebec and Trois-Rivières have ignored the law until now. If they had obeyed the law as now on the statute books, either party would have referred the dispute to arbitration long ago as the law required them to do. They were required to do this not only by the collective agreement but also by the Canada Labour Code. They have, therefore, ignored the law until now. The mere passage of this legislation will not necessarily end the matter unless the employers, the unions and the employees are ready to obey the law passed by this Parliament. Without any presumption I hope, Mr. Speaker, I just wish to add my voice as one Member of Parliament, and in the position of leader of my party, in an appeal to the people involved in Montreal, Quebec and Trois-Rivières.

I suspect Parliament will act unanimously so far as the principle of this bill is concerned. From what I have heard from the hon. member for Hamilton West (Mr. Alexander) his party will support it. You have heard from me, Mr. Speaker, that my party will support it and I would be very surprised if the Social Credit party did not. I say to the management, the union and the longshoremen involved that it is a great pity Parliament had to act in this case. With all my heart and soul I detest laws which order people to return to work. In the common law, as members of this House who are lawyers know, there is one injunction under the law of equity in our system of law which the courts would not grant. This is an injunction ordering someone to go back into service. Other injunctions have been granted but not an injunction such as this for many centuries. The refusal to grant an injunction ordering people back to work was based on a very valid doctrine that human beings should be free to work or not to work under some of the conditions which they do not like, and that the law should not descend on them and say that whether they like it or not they must return to work. Therefore, I detest with all my heart and soul any law which orders people back to work.

Work is not so pleasant on the waterfront. Being a stevedore is not so imaginative and creative that people ought to be ordered back to work. I appeal to the men involved in this case that Parliament does not act lightly in these situations. Certainly, my colleagues and I do not lightly support a bill to order people back to work. However, we are obliged to do so, not only in the interests of Canada as a whole but also in their own interests, in the interests of decent collective bargaining and decent labour relations and in order to end a situation which has lasted far too long, for eight weeks now. Through this House I appeal to them that they have a duty to themselves, to the labour movement and to Canada to obey this law when passed, to appear before the arbitrator and make the best case they can. I hope they will succeed in getting the best deal out of the arbitrator that their case and the facts of the situation deserve.

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

Mr. MacEachen: Mr. Speaker, I was rising to validate certain intimations I received earlier that possibly mem-

bers would agree to sitting at eight o'clock to deal with the second reading of this bill.

Mr. Lewis: And only with that.

Mr. MacEachen: That is understood. During the evening sitting we can determine how long we want to sit.

Mr. Deputy Speaker: Is there unanimous consent that the House resume its sitting at eight o'clock?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It is agreed and so ordered. It being six o'clock I leave the Chair.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, I have listened as closely as I could to the summary of the events which the minister of Labour has outlined for the benefit of this House and which warrant the approach required from him in these circumstances.

I am not sure that it must be assumed that his reserve of patience has been exhausted, but it is normal to appreciate that this strike has lasted long enough already, and that the appropriate steps must be taken so that work may resume in these Quebec ports.

I have in hand a statement made by the former premier of Ontario, Mr. Robarts, in an address to the members of the Empire Club, and reported in the April 22, 1972, issue of *Le Soleil*, and I quote:

> You merely have to look at what is taking place in Quebec and in Toronto to realize the extent to which strikes are used to dismantle the whole society.

• (2010)

> He pointed out how Quebec and Toronto civil servants use strikes as a weapon to keep society as a hostage.

That is quite serious!

Something very special happened in the longshoremen's strike: a collective agreement was signed, setting forth the working conditions, salaries and other fringe benefits. Finally, the agreement turned into a disagreement.

I have already mentioned in this House that the complex labour legislation now in force contributed to creating a type of professional deformation particular to negotiators, regardless of which side of the table they sit on. In fact, they keep polishing the same old clauses instead of inventing new ones. Both sides quibble about commas, at the risk of overlooking the fundamental objective of the collective agreement which is to make relations between employer and employee more human.

In *La Presse* of Saturday, July 1, 1972, we could read the following comments made by a spokesman for the longshoremen group to the effect that the executive had not caught on and I quote:

> A well-organized group of dissidents have published a manifesto accusing the executive of dishonesty, mismanagement and incompetence and demanding the resignation of all labour officials in addition to insisting upon an immediate return to work.
>
> The spokesman for the group, Mr. Yves Dufour, who named some 20 signatories to the document has stated that the 7-week strike was due to a wrong interpretation of the collective agreement.
>
> Mr. Dufour said that the union executive failed to understand the collective agreement and wrongly interpreted it. Our problem is due to the fact that the executive is incompetent.

He was evidently referring to the union executive.

This statement proves that there is an atmosphere of complications, and concerning collective agreements, they are trying to live with a labour legislation which, I repeat, is much too complicated for workers. Changes should necessarily be brought in this field.

I should like now to make a very short quotation which applies perhaps to another field but demonstrates very well the complications in the legislative area. This is an article published in *La Presse* of Tuesday, June 20, 1972, and I quote:

> The President of the Treasury Board has suggested that "in the past, the (federal) cabinet has perhaps relied too much on the advice of experts (technocrats) and in so doing, to a certain extent it (the cabinet) has begun to lose touch with the public."

And this comes from a cabinet minister!

So, we see that in negotiations—and this is what happened concerning the longshoremen—there seems to be a grudge somewhere. In fact, it seems that union representatives do not get the support of all their members. And I ask hon. members to believe that I am well-disposed toward unions, having worked in the labour movement for 10 years, which means that I am a union member, but not a striker as there is a significant difference between the two. I cannot help but see that sometimes, some union officials, out of pride and in order to try and settle some petty personal scores, bring a whole team of workers to strike.

Considering the circumstances, this still seems somewhat in the limelight. In fact, the newspaper *La Presse* reports as follows:

> While quoting as an example the Picard Act, Mr. Saint-Onge—

—and as people know, he is the union representative, authorized to make decisions—

> —added that the government perhaps would decide "to knock them down with some legislation."

He is in the right mood to face the implementation of legislation!

Further on, one can read this:

> As for calling a strike on May 17 last, Mr. Saint-Onge said that "perhaps it was a mistake, but last year the employers had thousands of times violated the collective agreement and never had the longshoremen taken revenge as their employers are doing at the present time."

So, revenge would be involved. Though this is stupid, it remains that we are faced with a fact, that somebody wants to take revenge because someone, at a given time, took a position which seemed inconsistent with reality, perhaps inconsistent with the spirit of the agreement. But should thousands of workers bear the brunt of a personal revenge? So I say that in matters of bargaining between

employees and employers, of necessity we must have more flexible and clearer legislation making understanding easier.

Mr. Speaker, I am sure that if the majority of the workers could express themselves freely, they would vote for going back to work. But we know more or less what happens during some meetings; people are afraid to be considered as scabs and vote with the majority. There again, labour law should specify in what way a free vote strike should be taken at a union meeting.

As for the strike, I would like to quote an article published in the *Gazette* of April 12 last. An hon. senator found that this article gave a good description of the situation since he had it recorded in the Senate proceedings. And I quote:

> An editorial in the Montreal *Gazette* of April 12 of this year illustrates very well the feeling of many people regarding strikes. Part of it states:
>
> > A strike is similar in some respects to war. It may be just, although a just strike is as hard to define as a just war. It is a question of causes, objectives and alternatives.

This afternoon, I heard an hon. member—and I would not criticize his statements, since I generally agree with him—speak about the strike. In my opinion, the right to live has priority over the right to strike. I have suggested this idea and it is quite easy to understand; certainly most hon. members will admit that it is more important to give the people the right to live before the right to strike.

Perhaps the legislation about certain rights has been adopted too quickly. Again I repeat what I am not afraid to say under any circumstances: the legislating function has been carried out much more under the fear of an impending election than in the citizens' interests.

Again, I say that the right to live for all is a natural right. This right should be recognized long before the right to strike or the right to make exaggerated profits, and appropriate measures should be taken by those responsible for legislation to ensure to all first the right to live. We should have enough foresight to plan a sensible distribution system for goods available without having to resort to strikes when most people want to work.

• (2020)

I understand that it is not always easy to strike proper balance between justified claims and the demands of the public weal. However, labour legislation must have that objective in view because of the deplorable incidents which have occurred in the field of labour-management relations. Amendments and legislation are required as soon as possible for the general welfare of the nation.

Obviously we endorse the bill now under discussion because it is a solution under the present circumstances. But I maintain that generally our labour legislation is too complicated. Right now we are even eager to see the bill passed so that all port workers might return to work.

Like the previous speaker I ask all these workers to seriously consider the present situation, to take into account all the losses they sustained and caused to a great many other Canadian citizens. These strikers have lost millions in salaries and contributed to the disruption of business in Canada. This strike could have been averted.

[Mr. Dionne.]

For ten years, I have worked in union organizations. My leader was a representative of the Brotherhood in Canada and he never taught us how to go on strike. For ten years, we have negotiated collective agreements with some fifteen lumbering companies, mostly on the North Shore, namely the Canadian International Paper Company, the Anglo Canadian Pulp and Paper Mills Limited, Donahue Brothers Limited and the Quebec North Shore Paper Company, in three operational districts, and these ten years of union work have gone by without a single strike. It is possible to find solutions, but the legislation must enable it.

We are living in such an unbalance system that people come to the conclusion that the only way to solve their grievances is to go on strike. And yet, we must logically admit that all that has been achieved in this world is the result of hard labour. Nobody can deny it. How is it that thousands of workers come to believe that the only means of solving their problems lies in work stoppage? That is a nonsense.

Failing to conclude that strikes are most of the time brought about by demands for salary readjustments or increases would reveal a lack of imagination or a refusal to face the disastrous consequences of a financial system at odds with the present economic situation. Why? It is easy to give a precise answer. Successive salary increases fail to catch up with the ever increasing cost of living. In fact, I might be permitted to use an expression which is well in line with the situation, and say that salaries are going up the stairs whereas prices of goods are going up in the elevator.

We are witnessing a transformation period and I hear a lot about technological changes. Collective agreements mention the fact that we are going through a period of transformation of our means of production. Machines are replacing men in an unheard of proportion. This heavily laden change through automation has become a nightmare for thousands of workers under our present system. Why? Again, it is easy to give a precise answer. The working man is deprived of his wages because he is being replaced by machines. Through research, scientists are exploring methods of modernizing production with the application of improved techniques involving the replacement of men by machines.

At the same time, other scientists or rather those who think they are, are advocating full employment. One thing that is beyond any intelligent concept is that industry or employers, whoever they may be, are apparently being called upon to absorb all the costs of mechanization, as well as salary adjustments and all the grievances which are caused by an ailing financial system.

This is why I emphasize the fact that we must absolutely improve our labour legislation.

May I conclude by quoting a few extracts from an editorial published in today's *La Presse*. I found this editorialist so familiar with the problem and capable of expressing his point of view on what is going on now that I wish to put it on the record. First, he has found another name for this kind of disease that strike is and I admit I was slightly amused when I read the title: "'Strikulture' yields little profit". So, may I quote from this editorial by Guy Cormier:

In the long history of labour, there have been many necessary strikes.

I have already said that this was a necessary evil but that we should avoid spreading it.

But in 1972, one wonders whether in every case the game is still worth the candle. One of the "high priests" of American unionism, George Meany, pointed out recently that when conflicts are protracted, the financial burden on workers is incommensurate with the benefits they hope to achieve from the confrontation.

The prolonged strike by longshoremen at the St. Lawrence ports, occupies a choice place in the annals of the last uncertain battles. It is inordinate in length: 52 days. It is inordinate in its devastating effects as compared to the hypothetical benefits workers seek to obtain.

It is obvious that if workers themselves were to consider the situation in this light, public authorities would not have to intervene to order an immediate resumption of work.

Further on, the editorial says:

Losses incurred by workers have been estimated at $8 million and the prolonged idleness of the harbours for so many weeks has emptied the till. (It is known that a 65-cent tax is levied on the handling of every ton of cargo. This revenue is used to guarantee longshoremen an annual minimum income.)

As to the guarantee of this annual minimum income they are divesting themselves of it rather deliberately following decisions of some union officers who seem to me quite irresponsible.

As to the damage inflicted on the economy as a whole, it is incalculable. There was talk last week of a net loss of $40 million. The long term effects of this imbroglio will be further compounded by competitors' eagerness (Halifax, St.-John's, N.-B.) to take maximum advantage of the problems befalling our harour facilities.

Is there today any other alternative but a forced settlement through parliamentary action? Willy-nilly, one should acknowledge the facts and answer: no.

As I said a few moments ago and under the circumstances, my party supports this bill. We would like it to be passed without delay in order to bring to an end a situation that is disheartening to the strikers' families. I am convinced that several strikers' families are far from having what they wished, because they have been deprived of an income for too long already.

I hope this bill will be passed as soon as possible; I strongly and sincerely hope that all strikers will understand their role, consider the situation seriously and go back to work without waiting for all sorts of slow procedures to be implemented which do not always solve problems. Right now, they must decide to go back to work so that we do not have a situation such as the one that arose in connection with the employees of G. Lapalme Inc.

• (2030)

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I think that it is quite proper for me to take part in this debate, in order to state my views on the bill which I feel, as the Minister stated this afternoon, is another rather unfortunate precedent in the history of Canadian Parliament.

I am justified, I think, in taking part in this debate, since as you well remember, I introduced a motion in this House on June 16 last in which we told the Minister exactly what the situation was and what solution the government ought to choose to put an end to the longshoremen's strike on the St. Lawrence. The conditions have since remained unchanged. At that time, we told the Minister of Labour (Mr. O'Connell): "You have just one thing to do to settle that conflict: force the parties into arbitration or take suitable measures."

I remember very well that the time that discussion took place, the hon. member for Winnipeg North Centre (Mr. Knowles), who spoke then on behalf of his party, had stated that he did not seem to understand the scope of the motion I had brought in, that it was not clear and that my findings or suggestions were not at all in keeping with reality, and that the ways and means we were suggesting to the minister were not those that the government should consider.

This afternoon—I think I must emphasize it, because I should like the NDP's to agree among themselves and tell the House on which side of the fence they stand—the NDP leader (Mr. Lewis), obviously contradicted the spokesman for his party who had taken the floor in this House on June 16 about this matter. This afternoon, the hon. member for York South, who seemed to wish to use this very important debate probably for politic purposes, told the House that he was in favour of the passage of the bill brought in by the government, that we ought to pass it as soon as possible, even though he would do so somewhat reluctantly. He added and I quote from memory: "I want to see this legislation passed as soon as possible". He said later, and I also quote from what I remember: "We are obliged to do so."

Mr. Speaker, if I refer to the debate we had just a few weeks ago, the spokesman for his party, the hon. member for Winnipeg North Centre (Mr. Knowles), gave a completely opposite view. I should like to know what is the real opinion and position of the NDP in the House, not because I want to raise any bitter debate that would be a negative one, but rather in order to know the position of different members and parties on such an important dispute.

May I refer the House to *Hansard* of June 16, 1972, particularly to page 3112. Speaking on behalf of his party the hon. member for Winnipeg North Centre said, and I quote:

I see the Minister of Labour (Mr. O'Connell) disagree with what I am saying about the dispute being a lockout, but if the hon. member has in mind—

—he was referring to me because he did not seem to understand the scope of the motion we had tabled.

I proceed with my quotation:

If the hon. member has in mind calling upon the government to bring in legislation to put these employees back to work, the employees who may not be employees because they have been suspended, we do not agree with that either.

So, the hon. member for Winnipeg North Centre who is his party's House leader stated only two weeks ago that if the government wanted to pass special legislation to force longshoremen to resume work they would oppose it.

Now, the leader of his party in a flash of administrative or legislative consciousness has at last recognized that under the present circumstances there was left only one alternative since the two parties to the conflict after numerous deliberations, consultations and attempts at

reconciling their attitudes, have been unable to bring about a solution.

Now it was obvious, Mr. Speaker, a fortnight or a month ago, or since the conflict started that only through legislation could a settlement be reached in this conflict which causes considerable if not irreparable damage to the three St.-Lawrence ports of Montreal, Trois-Rivières and Quebec City. Indeed, considerable damage is caused to the economic activity of Montreal and Quebec City as well as to thousands of longshoremen's families who are involved in a conflict from which they would like to extricate themselves but have not yet found the means to do so, since as was pointed out earlier by the hon. member who spoke before me, there was perhaps no mechanism enabling the workers to freely express their views during their union meetings and reach a decision their union has now to make for them.

What was still difficult to accept was the incompetence of the Minister of Labour, his misunderstanding of the situation, in spite of the advice, the information he received from his experts, in spite of the opinions of the House, the members of the Progressive Conservative party, and also from Liberal members from the Montreal area; because I know that some are not happy with the situation.

I know from talking with the strikers that they were not happy with the minister's attitude. They urged him to wake up at last, decide to assume his responsibilities and introduce in Parliament a bill to bring about a solution to that conflict.

The basis of the conflict, the source of the wrongs in this increasingly serious situation is the fact that when the difficulties arose the minister refused to intervene and did not admit that he had at his disposal—and I know the Minister of Manpower and Immigration (Mr. Mackasey) has enough experience to realize it—the whole apparatus required to attempt a rapprochement between the two parties. Had the minister intervened at the start by appointing a mediator, a conciliator or by setting up any mechanism at all, I am sure the conflict could have been solved without our having to resort to a special act which Parliament as a whole finds repulsive. An act of this type, Mr. Speaker, certainly cannot please the hon. members. We believe that we are too serious and responsible to accept a law which compels workers to go back to work when we know that there are at the basis of the conflict misunderstandings and frictions which can only lead to uncertainty and suspicion toward the employers.

What is wrong, in my view, is that management and labour are eying each other like cats and dogs. The climate of mutual trust which should exist in the field of labour-management relations just does not exist.

The two fundamental instruments of our economic system are the employer and the employee; without either one, I think that no economic system can work adequately.

It was an unpleasant surprise for me to hear the leader of the NDP when, in order to try to conceal his reluctance to fully support the Minister of Labour proposal, he said: We blame the employers, the ship-owners, for provoking the longshoremen by threatening to suspend them if they did not return to work. I think these words are totally irresponsible and I do not believe that we would be serving the cause we claim to defend—equity and justice—by pitting one party involved in this dispute against the other.

This is what is incomprehensible and totally inadmissible: only 15 days ago, on June 16, when we were urging the Minister of Labour to introduce a legislation or to take some steps to bring the parties together, he said: I cannot intervene in that dispute; there is no question of our interfering by means of a legislation.

• (2040)

I want to quote from the minister's statements because I think that they are an admission on the government's part of their failure to give their administration a minister with sufficiently high standards to face not the easy situations—since the minister is not there for that—but the difficult ones and show efficiency and results.

While day after day, for a month and a half, we have been askings questions to the minister, this is what happened, as reported by the Ottawa newspaper *Le Droit* on June 17, 1972:

> Mr. O'Connell advised that the government did not intend through legislation, to force the stevedores back to work.

In the Minister of Labour, we find inconsistencies, contradictions, reluctancy, inaptitude and, above all, inability to understand his duties while he is directly responsible for that collective agreement. His predecessor, through his good offices, his understanding, his labour experience—an experience actually lacking in the present minister—had managed to develop a formula that could or would ensure stability in the three harbours of the St. Lawrence river.

It is unfortunate that the minister failed to take into account the suggestions made to him by the opposition. We were not trying to take advantage of that dispute, since this would be the most abject thing to do, but simply to offer suggestions likely to help put an end to a situation that threatened the whole future of these three St. Lawrence harbours. The habour at Montreal is the largest Canadian seaport, the largest inland port, the one handling the greatest tonnage of goods, the most important access road for import and export.

Through his unconcern—I would not say his cowardice—because I hate to associate the words "cowardice" and "inability", the minister has failed to truly understand the importance of his decisions, and to take the necessary steps. We know that the government had been asked to act not only by members of this House, but also by the Montreal Port Council, which after sending one telegram after another, one letter after another, demanded that the government take action in order to end this conflict.

The City of Montreal authorities recently asked for action to be taken to that effect. The Quebec Minister of Labour said to his federal counterpart: Do something to solve this conflict, or we will interfere even if this does not come within our jurisdiction.

In the face of all those claims, all those representations, the minister seemed passive and indifferent; he felt that all those pressures were going to undermine his authority

as a minister, or that there was really nothing serious in this whole business, and that the situation could solve itself merely through a little agreement between the shipowners and the longshoremen.

That, Mr. Speaker, was playing with fire, and today we have come to this sad situation were we have, through legislation, to say to employees: Whether you like it or not, whether it suits you or not, whether some clauses of the agreement are under dispute or not, we do not care. You are going to go back to work against your will.

I feel this is an almost pre-historic way of solving a conflict, and if the minister had really assumed his responsibilities, if he had realized that the representations which we made in this House and elsewhere, as well as those of intermediary bodies, of provincial or municipal governments, were not without justification, we could have avoided having to introduce special legislation, and we could have avoided the collapse of the harbours involved, particularly that of Montreal.

Mr. Speaker, when on June 16 last I moved the motion which I mentioned earlier, I would have liked to advocate six steps, to suggest to the minister six ways to try and solve the conflict. Hon. members will remember that I was prevented from making those suggestions; fortunately, I was able to send them to the media, and I think my hon. colleague from Lachine (Mr. Rock) who, following his speech, was able to put them on the record. However, I realize that some of the suggestions which I made two weeks ago are exactly similar to the means which the minister used today by introducing legislation.

Unfortunately I see that the minister did not take into consideration an extremely important suggestion in order to avoid this kind of conflicts, so that in other conflicts we are not forced to introduce special legislation, in other words to see to it that we amend the Canada Labour Code to ensure that workers can vote secretly.

There was a successful experience particularly in the port of Quebec City. I have been told that longshoremen had the opportunity to vote secretly on going back to work, in the present circumstances, and that 99 per cent of them—the Minister of Manpower and Immigration is aware of this, I think—were in favour of this. It is the only place where a secret vote has been held.

This mechanism must be included either in the Labour Code, the collective agreements or in any other legislation. The government should not hesitate to ensure the secrecy of the vote.

I represent a labour constituency which is particularly affected by that work stoppage. I receive many longshoremen; I am also acquainted with people doing business with the Montreal port. For several weeks, many longshoremen have come to see me and told me: We would like to go back to work. At a union meeting, we would like to be able to cast a secret ballot and say, without being subjected to direct or indirect threats, if we agree with our leaders. We would be surprised at the results. We could often if not always avoid such painful conditions.

Certainly, the minister is aware of this situation; he knows perfectly well that during a union meeting when leaders are controlling the meeting or its proceedings, it is normal for the union members to rely completely on what the leaders tell them to do. The union leaders explain quite honestly, sometimes not so honestly, the scope of such or such legislation, of such or such contract, and the workers can indicate their views but generally, they rely on those elected to represent them.

But when you feel that in certain meetings, people have been ordered to be there by union leaders to influence and intimidate the union members, it is difficult for an individual to vote against the instructions of his leaders and we should put an end to this situation. This situation could be clarified by simply using the democratic election system of this country and ensure that the votes are kept secret. In this manner, I am confident that we will be able to avoid such legislation as that which we are obliged to debate today. We would also prevent many inconveniences to some families most affected by situations such as this one.

We should not forget that in such disputes, maybe the shipowners can afford to skip a season even though some cannot afford it; maybe the businessman can afford the luxury of staying idle for a season but the workman, the longshoreman as any worker with a family cannot afford the luxury of a year without work.

• (2050)

It is a human problem which should interest us first and this explains why a few weeks ago I brought in a motion and said to the minister: You have but one and only solution; the appeal to arbitration, and the only way to have this arbitration accepted is to intervene personally. And the minister replied: I regret but I cannot intervene. Today he is directly intervening. Through the bill brought in today I note that he corrects a defect in that procedure. And I refer to clause 8 of the bill which stipulates:

8. The Minister of Labour may refer any matter in dispute between an employer and a union to an arbitrator selected or chosen as provided in the collective agreements—

So the minister becomes the necessary and essential lever, if the two parties involved in such a conflict do not ask for or resort to arbitration. The minister can step in then.

The minister came up with the following argument: I cannot intervene since the collective agreement provides mechanisms to settle grievances and according to which both parties must ask for arbitration and if they don't, they will have to pull themselves out as they can. That was stupid since a section of the collective agreement whose number I do not remember exactly provides that should there be a conflict as to the selection of an arbitrator, the Department of Labour may name the arbitrator. Therefore, the minister was implicitly party to the contract, to the collective agreement. Had the minister been the least intelligent, he would surely have used that little "technical opening" in the collective agreement; he could have intervened by selecting an arbitrator and obliging both parties—not today but three weeks ago or one month ago—to resort to arbitration, which would probably have settled the conflict without Parliament having to step in with the introduction of special legislation.

Mr. Speaker, having read this bill rapidly we realize it does not mean much, except that its object is to correct minor weaknesses that obviously did not exist in the col-

lective agreement. I spoke about clause 8 and I could also have mentioned clause 7. I find it hard to understand that a few days ago the Minister of Labour delegated his mediators, his associates, his special assistants in labour relations who made recommendations to both parties. The minister referred to those recommendations this afternoon, without quoting the document of which I have a copy here and which unfortunately I could not get from the minister but got from some other source.

These recommendations contain suggestions which, in my way of thinking, might have been useful in settling the conflict. What surprises me most is that these recommendations which have resulted from the conciliation or mediation exercise carried out by the Department of Labour with the directly interested parties, have not been included in the bill which the Minister has introduced. Does this mean that the Minister is disavowing the work done by his mediators? Is he suggesting that those four days of negotiations between the mediators and the interested parties did not achieve the results which were expected? It may be the case of an unofficial disavowal by the minister. However, the fact remains that I find it quite unacceptable that recommendations submitted by the mediators who are specialists and whose capacities have never been questioned, who are used to discussing problems of a difficult enough nature in this kind of conflict, have not been considered in the drafting of the bill introduced by the minister today.

Mr. Speaker, it is with much regret that we will support the bill. As the minister said, it is a matter of public interest, of the future of the Montreal economy, of the future and the survival of the three ports of the St. Lawrence; it is also the whole Canadian economy which is feeling the backlash, since it is quite well known that thousands of businesses are awaiting their goods. The government of Quebec complained recently that it could not get the machinery necessary to complete certain public works.

Thousands of people are directly or indirectly involved with port activity either through regular or casual employment. I think in particular of those longshoremen who are known as overtime longshoremen who, normally, are counted by the thousands and work 35, 37 or 40 weeks; they will not be able to hope to benefit from that overtime this year.

It is also unfortunate about these labour difficulties that no legislation provides for any assistance to fathers and to children of unemployed workers—no welfare allowances, no unemployment benefits, no strike fund—which I suggest should have been provided for in normal agreements. There is no machinery to enable the community to assist children of striking longshoremen.

This year, we know that the dispute will soon be settled but we know very well also that before these thousands of ships come back to the harbours of Montreal, Trois-Rivières and Quebec, there will be a delay of four to six weeks.

The season now is ruined, we all know, and the minister knows also. It is not possible for Montreal harbour to recover this year's business. We will have to think about next year. What about the effects of this situation? Will the shippers, the businessmen and the firms that do business with Canada regain confidence in the facilities of the three ports concerned? I hope so! Whichever part of the country we may come from, and in particular hon. members from the Montreal area, and whatever our party is, we are all aware of the extremely disastrous effects of the situation on the Quebec economy.

Before passing the bill—as there are still 12, 14, 16 or 24 hours left—both parties still have time to settle on the technical terms of the agreement so that Parliament is not forced to pass this legislation because, as the minister said this afternoon, this may be the sixth time Parliament has legislated in similar circumstances.

For my part, Mr. Speaker, it is my duty to support the bill. I believe all the members have indicated their wish to support it, but we do so, I know, with great reticence. We hope that if there are other conflicts, the Minister of Labour will not wait till the last minute, in short, till the corpse has reached the cemetery to call in the doctor to take care of the patient. I trust, Mr. Speaker, that the government will assume its responsibilities and that, thanks to his foresight and his sense of responsibility, whatever the consequences may be for him—even taking into consideration his responsibilities toward the country and Parliament—the minister, by taking steps beforehand, will prevent the recurrence of such a disastrous situation.

Once again I invite the minister to tell us whether he really intends—and I want to close my remarks on this suggestion—to consider changing the Canada Labour Code in such a way that in all labour conflicts, union members are guaranteed complete and full freedom in expressing their views by secret ballot at union meetings where work stoppages, agreements, or the signing of collective agreements are dealt with.

[*English*]

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I was very interested in the report given by the Minister of Labour (Mr. O'Connell) and in the statements made in connection with this dispute. I happen to represent people who are very dependent upon the services that have been disrupted and who are far removed from the scene of this dispute. The speaker preceding me expressed his concern at the total effect of the dispute on the economy of Montreal, and quite properly so. I am sure that the effect of a disruption of this kind must be very severe.

What has impressed me in the discussion of the situation not only today but over the last seven or eight weeks has been the importance given to this particular dispute and to the kind of agreement reached after three years of thought and work had been devoted to it. Those of us who live on the Prairies and have taken the trouble to try to understand, surprisingly have a fair working knowledge of what is involved in the labour disputes at our two shipping points in Canada, that is, the St. Lawrence and the west coast. For most of us who move grain those are the terminals we use. Most of us who use Halifax ship by train to that area.

• (2100)

In times past I have taken the trouble to inform myself about disputes which have occurred on the west coast. I

know that negotiations can be extremely difficult. An attempt is made to give security to the workers. If they have security, then those who hire the men have security. A real attempt was made to reach this objective but negotiations broke down. I agree with those who said action should have been taken sooner.

In the last day or two I have checked my sources of information and have come to believe that we are on the very edge of a real slowdown or indeed breakdown as far as the movement of grain is concerned. Mr. Hurcomb, manager of the Dominion Marine Association, stated publicly that the strike is causing delays of up to six days in the movement of grain. One can check with the companies and co-operatives on the Prairies which are responsible for moving grain and will find that we have now pretty well filled the facilities at the terminals.

The lakers can move the grain down the lakes and the terminals can take the grain from them, but when you take the grain out of the terminals you must have longshoremen with the ability and know-how to load these boats and see they go to sea properly. This is the point we have reached and I do not understand how we as members of this House can do otherwise than discharge our responsibility by finding ways and means to bring this work stoppage to an end.

Another point bothers me, Mr. Speaker. I do not think you can solve by legislation all of the conflicts which exist between human beings. We had a government in Saskatchewan which said that if we had enough legislation and labour courts we could bring all these disputes to an end. I have doubts about that. To really meet the needs in this kind of situation and to achieve labour-management harmony in this country, we must make real efforts at bargaining and negotiation between the parties.

The Department of Labour will have to increase its activity in terms of negotiating with both sides in an attempt to smooth the path in working out procedures, arbitration, and so on. This is what will yield the greatest return in the medium and long run. When this fails, as it has failed in this case, then recourse has to be made to the type of action contemplated by this Parliament. I do not think there is any alternative in view of the situation facing us.

I could not go back and face my constituents, the farmers, the businessmen and those dependent on income from grain unless I am prepared to deal with the situation which faces us in the St. Lawrence ports. That is the main thing I wanted to say tonight. I concur in what the leader of our party said, that it is probably proper for the arbitrator, whoever he may be, to be charged with setting the time involved in establishing the number of guaranteed working weeks and the income for workers in this industry. This probably has to be one of his responsibilities.

I doubt very much if whoever is charged with the responsibility of arbitration should be, as is stated in clause 7(2)(b), making such modifications to those plans and provisions as in his opinion are required to give effect thereto on and after the date decided by him. If that means what I think it does, then the agreement in this area, the fine points of procedure and how they are arrived at must surely have been the result of lengthy and careful negotiation.

It must have taken some time for those concerned to reach working agreements in the original contract and I fail to understand the necessity for those charged with arbitrating to go through all these procedures again. I think the time element should have some bearing. I hope a real settlement and working agreement between the employers and employees will be reached very soon and that we do not have to again act in this House to force men back to work.

I believe, among other things, in the rights of individuals. When we come to the point that we have now, of using legislation to force an individual to go to work under certain conditions, I do not like it. By the same token, when we say to an employer that he shall put his facilities at the disposal of the state, and that is what we are doing, I think these are measures of last resort. What these measures really indicate is that our society has failed to solve its economic problems in a civilized and orderly manner. This is what it really means; we have failed to be effective in this area. I hope this will not occur too often. I say to the minister that he should have acted before. I suppose others will say that to him. As a representative of the Prairies where the people are very much dependent on traffic through our ports, I want to say I sincerely hope we can very quickly evolve better and more effective procedures to deal with a complicated society.

• (2110)

On the agricultural front, we are entering a supply-management phase. We are working on the other side of the coin. We are now working out procedures by which the provincial and federal governments will decide how much of certain products will be produced, how they will be marketed, and the price at which those products will eventually be sold. This compares to reaching the point where you bargain for wages, prices and services. I suggest we will move even farther in this area because we are in this type of complicated society. The way in which we deal with human relations must be changed in order to meet a closely integrated society. We can no longer stand at arms length and say that what the other man does is of no concern to us. Someone a long time ago said that we are our brother's keeper. We are at that point now, whether or not we like it.

Mr. Raymond Rock (Lachine): Mr. Speaker, at long last, after a period of seven weeks, the government has decided to introduce legislation to provide for the resumption of the operation of the ports of Montreal, Trois-Rivières and Quebec. In fact, we can say after eight weeks, because many of the dockworkers went on strike a week earlier in sympathy with the general strike in Quebec which also was illegal. On many occasions in the past month my colleagues from Hamilton West, from Sainte-Marie, our leader and I have frequently asked questions of the Minister of Labour (Mr. O'Connell) regarding the dock strike. His replies were vague and his attitude was always a laissez-faire attitude. In fact, as recently as last Friday morning, as recorded at page 3692 of *Hansard*, I asked the Minister of Labour the following question:

Since the Minister of Labour is waiting until this afternoon for a decision by the meeting of the dock workers, would the government consider introducing back-to-work legislation immediately

before adjournment of the House, in order that Parliament will not have to be recalled for this purpose?

The answer by the Minister of Labour was the following:

Mr. Speaker, the answer to that question clearly has to be no. Surely it is not desirable. This House would not wish to be in the position of being called upon to pass legislation to order men back to work on the ground that they are breaking the law, because the law already requires that they go back to work. Legislation to require Canadians to do that which is already required by the law does not seem to me to be appropriate at this time.

Many of us felt after that answer that the minister had no intention whatsoever of intervening in this strike by introducing back-to-work legislation. In fact, his answer to me indicated a complete capitulation. However, later in the afternoon the President of the Privy Council (Mr. MacEachen) made a statement. I shall quote from page 3719 of *Hansard* for June 30, 1972:

Mr. Speaker, at eleven o'clock I asked that the adjournment motion stand in the expectation that the situation in Montreal might have clarified in the meantime so that the motion could be put and carried at this point. However, I am advised by the Minister of Labour (Mr. O'Connell) that the situation has not cleared up sufficiently that it would be desirable from the point of view of the government to put and carry the adjournment motion at this point.

In other words, we returned to this House yesterday and today for the sole purpose of passing back-to-work legislation for the ports of Montreal, Trois-Rivières and Quebec. This government has shirked its responsibility in connection with this illegal, wildcat strike for at least four weeks. This government has taken a laissez-faire attitude, as it has always done in the past. This government, by not taking action earlier, has caused more unemployment in the Montreal area and an estimated loss of $1 million per day as reported by the news media. As I have said before this government, through its laissez-faire attitude, has capitulated during every strike under federal jurisdiction such as the traffic controllers strike, the postal strike, the seaway strike and so on. I would not be surprised if, for a change, Liberal backbenchers forced the Minister of Labour to bring in this back-to-work legislation. After all, it is election year and the people of Montreal are very unhappy with this do-nothing attitude of the Liberal government in serious situations such as this.

Mr. Gilbert: You supported them for many years.

Mr. Muir: Then he saw the light.

Mr. Deputy Speaker: Order, please. The hon. member for Lachine has the floor.

Mr. Rock: Mr. Speaker, I have no intention of speaking for very long in this debate—

Some hon. Members: Hear, hear!

Mr. Rock: —because I want to see these men back to work, as all other members do. I want to see the ports of Montreal, Trois-Rivières and Quebec in full operation as soon as possible. In all grievances and strikes in essential services it seems that those people who are most affected, the public, the people of the area, have no say while every strike which involves essential services does irreparable harm to the economy of this country. I believe it is time

Parliament thought of the public interest. The opinion of the public is that employees engaged in essential services should not have the right to strike. My constituents were asked the following question: Should persons involved in essential services have the right to strike? A negative answer was received from 80 per cent. In fact, 476 answered yes, 2,501 answered no and 170 were undecided.

I believe Parliament should adopt legislation forbidding strikes in essential services, and should provide other binding methods and means of settling these disputes. The crux of the whole problem regarding this strike is that it was and is an illegal strike, and it has continued because the government has shown weakness. It continued also because the Minister of Labour refused to permit the St. Lawrence stevedoring firms to prosecute a union of 3,250 dock workers who were on strike in defiance of court injunctions.

• (2120)

During this illegal strike, court action should have been taken and if court decisions were not obeyed the government should have acted immediately. Instead, the government's laissez-faire attitude prolonged this strike to seven weeks. Since this government allowed this strike to continue for seven weeks, all grain shipments bypassed these three ports. This strike cost shipping agents in Montreal $100,000 a day. The cost to the community in loss of salary and direct income has exceeded $1 million a day. One hundred and thirty two ships have sailed or have been diverted from Montreal with full holds, and hundreds of other ships never showed up. Ten thousand people depend directly on the port for jobs, and many times that number in service industries are affected. The port pumps approximately $250 million a year into the Montreal economy During this strike Montreal has lost $1 million a day. Over the past eight years labour disputes have virtually crippled the port of Montreal and this strike has done so much harm that the port may not return to its former position. This government knew this and yet they allowed this strike to continue, thus jeopardizing the future of the port of Montreal.

My colleague, the hon. member for Sainte-Marie (Mr. Valade) presented a motion, which I seconded, calling on the government to end the dock strike immediately. This was 21 days ago, and only now the government has taken action. It makes no difference to me now whether this bill is referred to the Standing Committee on Labour, Manpower and Immigration or whether it goes directly to the committee of the whole, so long as we give it second and third reading as rapidly as possible in order to get these three ports back in operation.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I shall hold the floor just for a few minutes and only to clarify a few things, following my colleague from Kamouraska (Mr. Dionne).

The Canadian Parliament today faces the unfortunate obligation to intervene in a labour dispute of a magnitude which is difficult to appreciate. The dispute which has now completely crippled the habours of Montreal, Trois-Rivières and Quebec for nearly eight weeks, has not been solved despite negotiation, dialogue and pooling of data.

And what is more serious still is the fact that even arbitration was not deemed a suitable settlement for the dispute by both parties. Today, we have a deadlock: the union involved refuses to abide by the decision of the arbitrator.

For his part, the Minister of Labour (Mr. O'Connell) does not deserve all the blame but he deserves criticism on one point, and this is why I wish to speak.

This afternoon, the minister himself stated that he did not want to intervene directly as long as the opposing parties were not conforming to the labour legislation.

I think that the minister had foreseen that should there be no other possible means, he would introduce special legislation to force resumption of work.

This is why Parliament is today considering Bill C-230.

Mr. Speaker. I often approve the minister, but I do not approve of his position; I do not approve of his choice and his reluctance to intervene at the appropriate time. I also approve neither the disrespectful attitude of employees towards the laws governing this country, nor the employers for their provocative and uncompromising stance in the negotiations.

Union members have not cooperated in good faith in the arbitration process, as was pointed out this afternoon by the hon. member for York South (Mr. Lewis) and this is also serious.

In his decision, the adjudicator has dealt with the question of job security, one of the foremost and basic causes of conflict.

Today, the minister introduces a bill in which subclauses 1 and 2 of clause 7 deal with job security and he submits that this bill, once passed, will force both parties to resort to arbitration in order to determine when the job security plan becomes effective.

Mr. Speaker, I should like to support this assertion. Today Parliament finds itself obliged to bring in a back-to-work legislation. As was mentioned by my colleague from Kamouraska, everything that exists in this country is not the result of strikes, but rather of the work of man. And it is not with work stoppages that we shall settle disputes.

It is unfortunate that our laws be based on a rather negative philosophy as far as work is concerned. Actually, they do not encourage employers or employees to settle a dispute as soon as possible, but rather to resort to a very complex procedure so that a dispute may last up to seven or eight weeks, with very serious social, economic and financial implications for the strikers' families, the financial world, the general public as well as the whole country.

Mr. Speaker—and this is what I wanted to emphasize—it seems to me that it is absolutely essential and fundamental that the minister, tonight, undertake to review labour laws in order to make them more constructive for labour so that solutions be found before conflicts break out; these laws must provide for the occurence of conflicts in order to avoid them.

I remember a few labour disputes where the parties had waited until the agreement had expired to start negotiations. Mere logic would require that negotiations should start within the last six months before the expiration of the agreement, in order to prevent a situation where for four or five months or more, there is no collective agreement or to prevent a dispute from lasting as long as the strike we are trying to settle.

I find it extremely unfortunate that Parliament should be obliged to interfere in a private dispute. I think that the role of Parliament is not to negotiate or to legislate on a specific dispute, but rather to provide society as a whole with the instrument required to prevent such disputes and to ensure the progressive development of our economy.

At all events, this dispute has been going on for too long and those responsible are not all on the same side. I believe that even if the Minister of Labour (Mr. O'Connell) took a long time to intervene, he deserves our support because the national interest is now in jeopardy.

That is why, Mr. Speaker, I will, reluctantly, support this bill.

[*English*]

The Acting Speaker (Mr. Boulanger): May I point out to the House that if the minister speaks now he will close the debate.

• (2130)

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, I have very few remarks to make at this stage. I want to thank hon. members for their contribution to the debate. I have listened with a great deal of interest and some points of particular interest have been raised. I want to say first, in answer to a question put to me by the hon. member for Timiskaming (Mr. Peters) who inquired whether the question of the withdrawal by the employers' association of various charges that had been laid against the union—

Mr. Lewis: Contemplated.

Mr. O'Connell: —or contemplated against the union, had arisen during the mediation sessions over the past four days and had entered into the mediation discussions. The answer I gave then, and it was a correct answer, was that this question had not arisen during the mediation procedures. The answer I gave, therefore, was correct; there was no reference in the mediators' proposals to the possible withdrawal of charges or contemplated charges.

It was correct, also, to say that only after the mediators' proposals had been prepared—it is somewhat unusual for mediators to prepare a set of proposals except in the last instance; they having arrived at that point and having felt there was a reasonable chance of the parties agreeing, then they would make a set of proposals—and presented to both parties that the president of the union, at the point of his departure, raised in a manner which I think might be described as casual the question of the possible withdrawal of those charges. So this question had not entered into the discussions to that point.

I want to reply to a criticism of this by the hon. member for Hamiton West (Mr. Alexander), repeated by the hon. member for Sainte-Marie (Mr. Valade) and perhaps by others, that it does not include the proposals placed before the two parties by the mediators, senior officers of my department, on July 3. I think that is a very silly proposal to come forward with at this time.

I thought I had fully explained why those kinds of proposals have no place at all in the kind of bill which this Parliament is being asked to pass. The mediators' proposals included a date suggested for the phasing back in of the job security provisions. It is not appropriate—I was glad to find the hon. member for York South (Mr. Lewis) and others supporting me in this position—that we as Members of Parliament enter substantially into the dispute, and we would be doing that if we inserted into the legislation the proposals the mediators set forth as a possible solution, which were not accepted by one of the two parties.

We would not have in our possession the technical facts, the complicated facts as to when the job security plan can be reinstated. That is a matter that will properly come before an arbitrator. This is consistent with the tradition that has been followed in the past. It would be a grave mistake; I would go further than that and say that the hon. gentlemen who propose it must acquit themselves of misunderstanding the whole collective bargaining process, the very charge which they level so lightly on the Minister of Labour. I was somewhat surprised at the naivety that is behind that suggestion.

The hon. member for Kamouraska (Mr. Dionne), who is here at the moment, raised a point which he has raised before and which I think all of us must take seriously, that labour legislation is complicated legislation and it is difficult for persons to understand. But, Mr. Speaker, members of unions do engage collective bargaining agents. They do have the benefit of counsel in these matters. They are at no disadvantage in looking at legislation that Parliament enacts. It may be complicated but the basics are very simply stated. Whereas I sympathize with the point of view put forward by the hon. member for Kamouraska, I do not think we can do anything about it.

The leader of the NDP, the hon. member for York South, raised a very important question to which I would like to address just a few remarks. That question was related to the range in time, the jurisdiction given to the arbitrator over the whole term of the agreement, as the clause now reads, to modify the collective agreement in the restricted area where it applies to the job security provisions. I want to think about this overnight again and consult my senior officers. I do not want to make a commitment that we are prepared to restrict further the restricted range that the arbitrator has in which to make his judgment. First of all, he is restricted in that any modification he may bring in, in an award, is a modification only of the job security part of the collective agreement. That job security plan is suspended by this bill for a period of time to be determined by the arbitrator.

Should he be restricted in time to this shipping season or to the end of this year, and not have the ability at that point in time when he comes to make his decision—remembering that whenever he fixes a date he automatically involves himself in the modification of the job security plan as presently in the collective agreement—or are the uncertainties so great as to the building up of tonnages that he needs the capability of extending his modification in this restricted area down through the full term of the collective agreement?

[Mr. O'Connell.]

I shall give that question very serious consideration because it is not our intention to give wide scope to the arbitrator, and I am sure it would never be the intention of Parliament to give wide scope to any arbitrator to modify the terms of a collective agreement. The necessary scope given in this case to modify an agreement is an exception to the general rule. Arbitrators interpret agreements and make awards with respect to violations. It is an unusual circumstance when they are given the power to modify. Yet that is the power that it is necessary to give here. We want to give it in a narrow range to make sure it is confined to the job security provisions, and we will give additional consideration to the time scope.

To assist hon. members in coming to their views perhaps I ought to make clear that the job security fund, as constituted, is not a direct payment from the employers' treasury, as it were; it is not coming from the employers' funds. The job security fund emerges and becomes established through a levy on the tonnage that goes through that port, so much per ton of general cargo and so much in a higher amount for container cargo. So that in this light we are not talking about bargaining over management's costs but we are talking about the capacity of a fund, developed in this manner, actually to sustain the job security provisions of the collective agreement. I want to give this point full consideration, but it may indeed be very difficult at this time, in view of the uncertainties that face the near-term and the longer-term, to restrict the arbitrator to a given period of time when he has all the facts in front of him and when he considers the future with the best judgment that he can exercise. Those are questions at which we will continue to look.

• (2140)

In conclusion, Mr. Speaker, I want to say I have noted that all parties in this House propose to give their agreement to second reading of this bill. I think that demonstrates our full acceptance of the engagement, of the public interest in this dispute. It shows a realization of the very grave nature of it, not only in the legal sense but in the economic sense and, I would add, the social sense, and an appreciation of the damage it has unnecessarily done already as well as the damage that any prolongation would bring to these three ports, their communities and the country at large.

The Acting Speaker (Mr. Boulanger): Is the hon. member rising for the purpose of asking a question?

Mr. Lewis: Yes, Mr. Speaker. I wonder if the minister would mind answering a question?

Mr. O'Connell: Yes, Mr. Speaker, if you permit.

Mr. Lewis: I noted the minister emphasized that the power given to the arbitrator under clause 7 of the bill is confined to a narrow area, namely, the area of job security. I should like to ask the minister whether it is not true that even though that is just one area of the collective agreement, it is qualitatively the most important area, the one that caused the greatest problem in negotiations? Is it not also true that the agreement that was arrived at last April contained a very large amendment to the job security plan that the agreement contained before, and that as

far as the agreement is concerned it is no longer based on a particular fund? By giving the arbitrator the powers the law now gives him, to interfere with the future of the parties in the last two years of the agreement as well as this year, does the minister not think that is a very dangerous thing to do in principle? It would also seem to be dangerous in terms of getting the agreement of the union and employers concerned to accept the law with some grace.

Mr. O'Connell: Mr. Speaker, I am going to continue to give a good deal of consideration to this aspect. I should like to go one step further and draw attention to the wording of subparagraph (b) which says, in my view, that the modifications which may in the arbitrator's view be necessary are just those modifications necessary to give effect to the job security provisions and to make them viable provisions, not to modify them over a long period of time for any reason other than to ensure that there will be job security provisions and that the sense of the collective agreement will be brought to bear on that situation.

I do agree that the job security provisions are one of the very major aspects of this agreement. I also agree that we are entering upon a serious step when we give an arbitrator the modification power. But, Mr. Speaker, the parties have brought this situation to the point where the ports are not open, the national interest is engaged, and so we are required to take some drastic measures that may not be palatable. However, they are required in the public interest in order to open those ports again.

It is necessary to clear this question of return to work which has been a stumbling block. We must lodge the power to make those modifications in some place. We are lodging it in the place the parties themselves selected, in the arbitrators in whom they have confidence. Perhaps there is no escape from the dilemma, if you like to call it that, no escape from giving the modification powers. However, it may be that subclause (b) sufficiently confines those powers only to the modifications that would in fact make it a viable job security plan.

As I say, Mr. Speaker, I want to consider this overnight. We will have another opportunity to review it at committee stage.

The Acting Speaker (Mr. Boulanger): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time.

Mr. MacEachen: Mr. Speaker, on a point of order, we are sitting tonight by the general consent of the House. Following consultations, I feel that it would be more in keeping with that general consent if we began the committee of the whole stage at the next sitting tomorrow. I would, therefore, like to move the adjournment of the House.

The Acting Speaker (Mr. Boulanger): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Boulanger): This House stands adjourned until tomorrow at two o'clock p.m. pursuant to Standing Order 2(1).

On motion of Mr. MacEachen, the House adjourned at 9.50 p.m., pursuant to special order.

HOUSE OF COMMONS

Thursday, July 6, 1972

The House met at 2 p.m.

ROUTINE PROCEEDINGS

HOUSE OF COMMONS

WITHDRAWAL OF MOTION FOR ADJOURNMENT OF SESSION ON JUNE 30, 1972

On the order: Motions.

June 22, 1972—*The Prime Minister:*

That, when the House adjourns following the Royal Assent on June 30, 1972, it shall stand adjourned until a time fixed by Mr. Speaker, at the request of the Government, when the House may meet for the purpose of the giving of Royal Assent to any bills that have not been given Royal Assent;

And that, after the giving of Royal Assent to any such bills or in the event the House does not meet for that purpose, the House shall be adjourned or stand adjourned, as the case may be, until September 28, 1972, provided that at any time prior to that date, if it appears to the satisfaction of Mr. Speaker, after consultation with the Government, that the public interest requires that the House should meet at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time;

And that, in the event of Mr. Speaker's being unable to act owing to illness or other cause, the Deputy Speaker or the Deputy Chairman of Committees shall act in his stead for all purposes of this order.

Mr. MacEachen: Mr. Speaker, perhaps I might rise on a point of order to suggest that because this motion is no longer applicable it might be dropped, with the consent of the House.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Order discharged and motion withdrawn.

MOTION FOR ADJOURNMENT OF SESSION ON JULY 7, 1972

Right Hon. P. E. Trudeau (Prime Minister) moved:

That when the House adjourns following the third reading and passing of Bills C-170 and C-201 or, at the ordinary time of daily adjournment on Friday, July 7, 1972, as the case may be, it shall stand adjourned until a time to be fixed by Mr. Speaker, at the request of the Government, when the House may meet for the purpose of the giving of Royal Assent to any bills that have not been given Royal Assent;

And that, after the giving of Royal Assent to any such bills or in the event the House does not meet for that purpose, the House shall be adjourned or stand adjourned, as the case may be, until September 28, 1972, provided that at any time prior to that date, if it appears to the satisfaction of Mr. Speaker, after consultation with the Government, that the public interest requires that the House should meet at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time;

And that, in the event of Mr. Speaker's being unable to act owing to illness or other cause, the Deputy Speaker or the Deputy Chairman of Committees shall act in his stead for all purposes of this order.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I have had discussions with my opposite numbers in the other parties and it appears quite necessary, not only because of those discussions but because of the changed circumstances, to alter this motion. I would propose to move an amendment to the Prime Minister's motion. Without going into all the phraseology, the amended motion would make certain that the House would adjourn on Friday, July 7, tomorrow, at the regular adjournment time, but with a condition. The purpose of the condition is so that hon. members will understand that if at that moment the bill we are presently considering, Bill C-230, having to do with the resumption of operation of certain Quebec ports, has not been given Royal Assent, then the House would not adjourn. I think we all understand that if things go along normally that bill will probably be cleared, but in order to make it absolutely certain and to indicate to the country that we will not adjourn unless that matter has been attended to it seems to me a provision to that effect ought to be included in the motion. If I may, I would move the following amendment:

That the motion be amended by deleting all the words preceding the phrase "it shall stand adjourned" and substituting therefor the following words:

"That when the House adjourns at the ordinary time of daily adjournment on Friday, July 7, 1972, provided that Royal Assent has been given to Bill C-230,"

• (1410)

The amended paragraph would then read:

That when the House adjourns at the ordinary time of daily adjournment on Friday, July 7, 1972, provided that Royal Assent has been given to Bill C-230, it shall stand adjourned until a time to be fixed by Mr. Speaker—

And so on.

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

Some hon. Members: Agreed.

Amendment agreed to.

Mr. Speaker: Shall the motion as amended carry?

Some hon. Members: Agreed.

Motion as amended agreed to.

Inquiries of the Ministry

FINANCE

ALLEGED INVOLVEMENT OF BANK OF MONTREAL IN TRANSACTIONS OF QUESTIONABLE NATURE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I seek unanimous consent to move a motion under Standing Order 43 on a matter of urgency, namely, the involvement of the Bank of Montreal in transactions of a questionable nature arising out of the inquiry of the O'Dea Commission in the province of Newfoundland and demanding attention by the federal government. I would therefore move, seconded by the hon. member for Lambton-Kent (Mr. McCutcheon):

That the government refer the matter to the Standing Committee on Finance, Trade and Economic Affairs to inquire into the alleged conflict of interest of the Bank of Montreal arising out of the O'Dea Commission, and report its findings to the House within 60 days.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The motion cannot be put.

ORAL QUESTION PERIOD

MANPOWER

INQUIRY AS TO ANNOUNCEMENT OF OPPORTUNITIES PROGRAM

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. Would the minister advise the House whether the manpower program, known variously as Canada Manpower Opportunities Program or CANMOP or simply CMOP, which has been in preparation in his department during the past two years, is now ready for presentation to the Canadian people and, if so, will it be announced in the very near future?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, if it were completed and ready for announcement I would make that announcement today. Obviously it is not completed.

Mr. Hees: Can the minister advise the House why this long-awaited program has taken so long to prepare, and will he undertake to announce it this summer?

Mr. Mackasey: It will be announced as soon as it is ready, Mr. Speaker, and I am very hopeful that it will be this summer.

Mr. Hees: Would the minister advise the House just what this program is going to cost and how many jobs are expected to be produced by it?

[Mr. Speaker.]

Mr. Mackasey: Mr. Speaker, it will cost as little as possible and provide as many jobs as possible.

Some hon. Members: Oh, oh!

Mr. Hees: Following that non-answer I would like to ask the minister a final supplementary question. Just how much is the government counting on this program to bolster its sagging hopes in the forthcoming election?

Mr. Mackasey: I was going to say that this government—

Mr. Speaker: Order, please. The hon. member for Winnipeg North on a supplementary question.

POSSIBLE CHANGES IN TRAINING PROGRAMS—CONSULTATION WITH PROVINCES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to direct a supplementary question to the Minister of Manpower and Immigration. Has he yet consulted the provinces in detail with respect to the changes in manpower training programs he is contemplating so that the programs can be made to fit in with the needs of the individual provinces?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, I think that what most hon. members, including the hon. member for Winnipeg North, are referring to basically is a change contained in the legislation passed by the House of Commons last Friday which permits, as a general rule, on-the-job training as a regular feature of manpower programs and eliminates what has been known as the infamous three-year rule. I mentioned in that debate that I had had consultations with all ten provinces, including the province of Quebec, either personally or through senior officials of the department.

POSSIBLE NEW WINTER WORKS PROGRAM—PRIOR CONSULTATION WITH PROVINCES

Mr. Lincoln M. Alexander (Hamilton West): I have a supplementary question, Mr. Speaker. In view of the assurance given by the President of the Treasury Board that any winter works program launched by the federal government would be undertaken in co-operation with the provinces, can the minister advise us that this assurance will be kept and that this is the plan of the government?

Mr. Speaker: The hon. member for Assiniboia.

Mr. Alexander: Mr. Speaker, perhaps the Minister of Manpower and Immigration was not listening. I asked whether, in view of the assurance that in future any winter works program would be undertaken in co-operation with the provinces, the minister can advise that this is the policy of the government?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, I am no expert on winter works programs. I do not know what minister is responsible for them. What I have been talking about is a permanent program emanating from the Department of Manpower, which is an entirely different thing.

PROVISION OF SUFFICIENT TIME TO MUNICIPALITIES TO PLAN WINTER WORKS PROJECTS

Mr. Bill Knight (Assiniboia): Mr. Speaker, I wish to direct a question to the Minister of Manpower and Immigration. In view of the fact that many municipalities experienced real difficulties in properly drawing up plans for them to be involved in the Local Initiatives Program, can the minister inform the House what kind of action will be taken by the department to assure local municipalities that they will have sufficient time to draw up plans for winter works projects this winter?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, I am not too sure which minister I am speaking for, but if it is the policy of the government to introduce winter works programs this coming winter, for a variety of reasons, then I am sure the minister in charge would take into consideration the problem the hon. member has raised, as manifested last winter, and would want to meet with his counterparts at the earliest opportunity.

* * *

EXTERNAL AFFAIRS

NUCLEAR TESTS BY FRANCE—ALLEGED RAMMING OF "GREENPEACE III" BY FRENCH MINESWEEPER

Mr. David Lewis (York South): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. Has the government been officially or in any other way informed by the government of France regarding the alleged ramming of *Greenpeace III* by a French minesweeper, and was there any response from the government to that information?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Yes, Mr. Speaker. When I heard the report yesterday or the day before I asked our embassy in France to get in touch with the French government because we had had no information previously about this incident. I am very happy to inform the House that we have reason to believe the crew is safe and well. There are conflicting reports about the collision. The French informed us officially of their version yesterday. They said, essentially, that the two ships were passing slowly alongside each other, that the French ship was about to pass a message to the *Greenpeace* and the *Greenpeace* turned by mistake or was blown into the French ship, that damage was light but the *Greenpeace* asked for help and was towed to Mururoa and repaired free of charge, and that the crew was hospitably treated. The *Greenpeace* may have left Mururoa now, but we are not certain of this.

Mr. Lewis: Can the minister inform the House what kind of message and what were the contents of the message which the French ship was desirous of communicating to the people on *Greenpeace III*?

Mr. Sharp: Mr. Speaker, we were not informed about this. We are making further inquiries because, as the hon. gentleman knows, there has been some conflict. Mr. Metcalf has said that the ship was rammed. We have no confirmation of that, but of course we were not there to witness the accident.

• (1420)

NUCLEAR TESTS BY FRANCE—PROVISION OF INFORMATION BY UNITED STATES AUTHORITIES

Mr. Lewis: May I ask the Secretary of State for External Affairs whether the United States authorities have made public the information they have regarding the atmospheric nuclear tests made by France and, if not, can the minister inform the House whether he has any information on why they have kept it confidential in this case when in the past they have always let the world know when they have detected such explosions by the U.S.S.R., China and other countries?

Mr. Sharp: Mr. Speaker, I really could not answer that question. I do not know whether there is any difference in practice and, if there is, why it is so. We have reason to believe that there have been two nuclear explosions in the Pacific by the French government. This has neither been confirmed nor denied, and I do not know whether the United States has a responsibility to make this information available.

Mr. Lewis: Just to clarify the situation, Mr. Speaker, did I understand from the minister that the United States authorities have not yet made any comment with respect to these tests? What source does the minister's information come from?

Mr. Sharp: Mr. Speaker, it comes from a number of sources that we have reason to believe are quite reliable. The fact that there have been tests has not been denied by anyone, and we assume it to be true. I really cannot answer for the government of the United States as to why they follow their practice.

* * *

INQUIRY OF THE MINISTRY

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, owing to the continued absence of the Secretary of State my question is directed to the Prime Minister. Is the continued absence of the Secretary of State in any way related to the public spanking that he received from the Prime Minister on Monday?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I answered this question yesterday but I will gladly answer it again because the answer appears to have been misunderstood by the hon. member and perhaps by other people. I want to assure the House that it is not my intention to move the Secretary of State from his department because of what happened on Parliament Hill on July 1. What I did say in the House, Mr. Speaker, if I can have your indulgence and if hon. members will look up *Hansard* of two days ago, in response to cries of "resign" from the other side, was that not only had we no intention of resigning but we were going to go on to win the next election, and that the Secretary of State, like other ministers, would then be in a new portfolio. If I may, Mr. Speaker, I might just add that I am sorry about the

misunderstanding and I do want to say publicly that there is no minister in my cabinet who has done a better job with more skill and devotion.

Some hon. Members: Oh, oh!

An hon. Member: He is sulking outside.

Mr. Trudeau: I think, particularly, that the achievement of having set up a cultural policy for Canada, a bilingual, multicultural policy, is something for which we are very thankful.

Mr. Speaker: Order, please.

Mr. Nowlan: Without agreeing with all the premises of the Prime Minister's answer and not necessarily debating them at this time, if the minister is held in such high esteem may I ask why it is that he has been absent every day this week when he should have been in the House according to the roster system? Today being the last day of this session, in view of the motion moved by the President of the Privy Council, members of this House are not going to be able to examine the minister on the many facets that come under his control, especially the film policy that was announced in Montreal on Monday. Before saying anything else I should like to know if the Prime Minister is aware whether the Secretary of State intends to come into the House during this question period so that we can put some very relevant questions to him in a most non-controversial way?

Mr. Trudeau: Mr. Speaker, the practice has been that when ministers are due to be in the House and cannot be here, questions are taken on their behalf by the parliamentary secretary or by the acting minister, and I have yesterday and today shown preparedness to answer any questions addressed to the Secretary of State, whether or not they are addressed by the hon. member. As to absence, this does not seem to be the right day, when his own leader is not here, for the hon. member to draw the attention of the House to the absence of the minister.

Mr. Nowlan: Mr. Speaker, I rise on a point of order. At this stage, neither the Secretary of State nor his parliamentary secretary are in the chamber. The questions I wanted to put to the Secretary of State, regardless of what happened on July 1 or Canada Day or Dominion Day, had to do with the statement of policy made in Montreal affecting some of the major corporations and Crown agencies responsible to Parliament, agencies such as the CBC the CFDC, the Canada Council and the National Film Board.

Mr. Fairweather: And the Bank of Canada.

Mr. Nowlan: I say in all seriousness that the Secretary of State is physically alive.

An hon. Member: Is he?

Mr. Lambert (Edmonton West): How can one tell?

Mr. Nowlan: I do not know the state of his mental health, but I actually saw the hon. gentleman earlier today.

[Mr. Trudeau.]

Mr. Speaker: Order, please.

Mr. Nowlan: And, Mr. Speaker—

Mr. Speaker: Order, please. I hope we will not spend the whole question period debating whether the minister is here or not here to answer questions. The hon. member is raising a point of order. He seeks the floor on a point of order. He should indicate what the point of order is that would require a ruling by the Chair.

Mr. Hees: Let the minister come in and face the music.

Mr. Speaker: I should like to hear the hon. member on that point.

Mr. Hees: Bring the minister in and have him face the music.

Mr. Nowlan: Mr. Speaker, I will change my point of order to a question of privilege. In the dying days of this session and of this Parliament, hopefully, when people across this country are concerned about the relevance of this institution, the minister responsible for culture has made an important statement in Montreal involving legislative changes to many acts that have been passed by this Parliament. These affect the future of the Film Board—has he come in yet? They also involve the question of the setting up of a film advisory committee which will supplant the film commissioner and perhaps make the minister responsible for culture the film czar of this land. Yet Members of Parliament have not been able to direct questions to the relevant minister. The Prime Minister can say all he wants about the parliamentary secretary accepting questions. That is not the way answers are received, especially, Mr. Speaker, in the dying days of a session. The Prime Minister knows as well as I do that that would be a futile experience, even if the parliamentary secretary were here. I say this is just another manifestation of the contempt that members opposite on the treasury benches show for this institution. This applies especially to the minister responsible for culture who likes to deal in the realm of philosophy and not come into this institution and answer the representatives of the people.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Trudeau: Mr. Speaker, the hon. member is justified in wanting to ask some questions. I simply assure him that there are ministers present at this time, myself and the second acting minister, who are prepared to deal with those questions, assuming the hon. member, in the dying days of his membership in this House, wants to ask any questions.

Some hon. Members: Hear, hear!

Mr. Nowlan: Mr. Speaker, I will let history decide who has political mortality in this country, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Nowlan: May I direct my question to the Prime Minister. In view of the motion moved by the President of the Privy Council, if this Parliament comes back on Sep-

tember 28 and if the Prime Minister can make up his mind when to call the election, which he has not done yet, will the Prime Minister assure the House that the statement made by the Secretary of State involving those various cultural agencies, all under the cloak of film policy, will be referred to the broadcasting committee so that there can be a full explanation of the real intent behind this policy?

Mr. Trudeau: Yes, Mr. Speaker, I will certainly make that recommendation to the Secretary of State. I am glad to have the acknowledgment of the hon. member that he will still be here and very active in the government. I am sure, with the agreement of the House leaders, that we can refer this and other matters to the standing committee, assuming we sit long enough at that time.

Mr. Nowlan: Once the Prime Minister has made up his mind.

Mr. Trudeau: Once I have made up my mind.

An hon. Member: Is that the only question you have, Pat?

Mr. Nowlan: No, I have many more.

* * *

HOUSING

PRICE RANGE OF DETACHED HOUSING STARTS IN MAY

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, my question is for the Minister of State for Urban Affairs. As approximately 30,000 single, detached houses were started in May, can the minister inform the House if these have continued to be mainly in the high income range?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I do not believe so. They cover quite a wide spectrum of income ranges. They have all been properly built houses and they have been aimed at the Canadian market by their builders.

Mrs. MacInnis: Mr. Speaker, I was not able to hear what the minister said. Would he make a statement tomorrow as to what the average cost of these 30,000 units will be when they are completed? That will give him a little time to undertake the necessary research.

Mr. Basford: Mr. Speaker, there are indications that we are building more houses in this country than we have ever built in any year in the past.

Some hon. Members: Hear, hear!

• (1430)

Mr. Basford: That is an indication of the success that the government's fiscal and housing policies are having in the country today. I do not see that a statement tomorrow is really necessary.

Mrs. MacInnis: I am sorry, Mr. Speaker, but there was a bit too much noise and evidently the minister did not hear my question. I asked him whether he would do a little research between now and tomorrow and make a statement as to the average cost of these 30,000 housing starts in May?

Mr. Basford: Mr. Speaker, the national average is around $16,000.

Mr. Speaker: Order, please. We have not yet completed the first round of questioning. The hon. member for Lotbinière will be recognized and then the hon. member for Halifax-East Hants.

* * *

[*Translation*]

SOCIAL SECURITY

DISCUSSION BETWEEN OTTAWA AND QUEBEC RESPECTING CO-ORDINATION OF PROGRAMS

Mr. André Fortin (Lotbinière): Mr. Speaker, I would like to put a question to the hon. Minister of National Health and Welfare. Since the Quebec government wishes to establish a global social security policy and in view of the attitude of the federal government about the introduction of the bill relating to the payment of family allowances, would the hon. minister tell the House whether discussions were held recently with the representatives of the provincial government? If not, could he tell us when a meeting will take place?

[*English*]

Hon. John C. Munro (Minister of National Health and Welfare): Yes, Mr. Speaker. I have recently had meetings, as I explained in the House yesterday in answer to several questions, particularly from the hon. member for Winnipeg North Centre, concerning the Canada Pension Plan and its relationship to the Quebec Pension Plan. There was general discussion throughout the whole area of governmental policies but particularly about the Canada Pension Plan.

* * *

HOUSING

REQUEST FOR TABLING OF REPORT ON LOW-INCOME HOUSING

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is to the Minister of State for Urban Affairs. Will the minister make public before the House adjourns tomorrow the critique or criticism of the government's efforts in the low-income housing field prepared by Michael Dennis and now in his possession?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, that would not be possible.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I have a supplementary question. Did the minister say it would not be published? If so, why not?

Mr. Basford: Mr. Speaker, I said that would not be possible.

Inquiries of the Ministry

INQUIRY AS TO CHANGES IN PROPOSED AMENDMENTS TO ACT

Mr. John Gilbert (Broadview): Mr. Speaker, I have a supplementary question. In view of the widespread criticisms of the proposed amendments to the National Housing Act, is the minister considering making any changes?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, in my experience the proposals before parliament have received very favourable comment from various sectors across the country. Naturally, in the course of approval by Parliament, the legislation will be dealt with by the standing committee of the House and where improvements can be made undoubtedly they will be considered by Parliament.

Mr. Speaker: Order, please. Hon. members will have noticed that we have not been making much progress. We are still on the third or fourth question. Many members are seeking the floor. If there are five or six supplementaries sought on this question, that may take us to the end of the question period.

REQUEST FOR TABLING OF REPORT ON LOW-INCOME HOUSING

Mr. David Lewis (York South): Mr. Speaker, my supplementary question is also for the Minister of State for Urban Affairs, and I am going to put it bluntly to him. In view of the fact that the Michael Dennis report has been in the minister's hands for many weeks, and in view of the fact it has already been translated into the other official language, according to information I have received, will the minister explain to the House why that report is not being made public so that Members of Parliament and the people of Canada may study it and see what in the policies ought to be improved?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, the facts upon which the question is predicated are not correct.

Mr. Lewis: The minister cannot get away with a generality. In what respect are the premises not accurate? Will the minister specifically deny the fact that he has had the report for many weeks in his possession or in the possession of his department? What other difficulties are there?

Mr. Speaker: Order, please. That is obviously a debate as to facts between the minister and the hon. member.

Mr. Lewis: Mr. Speaker, I rise on a point of order. I am sorry to take the time of the House, but I respectfully suggest that the question I asked—I can rephrase it—is entirely proper. The minister said that the premises of my previous question were inaccurate. It is surely right for me and for this Parliament to ask the minister to indicate in what respect those premises are inaccurate. Is it not true that the minister has had the report for almost two months or more than two months in his hands or in the hands of his department?

Mr. Basford: Mr. Speaker, no decision has been made by me or the government about whether to publish any such report. Second, it is a longstanding practice in this country that any publication of the government of any major concern be published in both official languages. At the present time, that is not possible.

[Mr. Basford.]

Mr. Lewis: Mr. Speaker, I rise on a further point of order. I suggest, with respect but with some anger—

Some hon. Members: Oh, oh!

Mr. Lewis: —that either the minister ought to say in what respect my premises are invalid or he ought to withdraw that statement.

Mr. Speaker: Order, please. The hon. member has asked a question. He has repeated it twice. He knows the rules. The minister does not have to reply to a question. The minister has given a reply. The hon. member may not be satisfied with it and may feel it is inexact, but he cannot insist on having the reply which he wants.

Mr. Hees: Mr. Speaker, I rise on a point of order. The minister definitely said that the premises on which the hon. member for York South based his question were incorrect; in other words, that what the hon. member for York South said was not true. As a member of this House I say that the minister has a duty either to explain why it was not true or he should retract his statement.

Mr. Speaker: Order, please. That is not correct. The hon. member for York South has to take the word of the minister. The minister has to take the word of the hon. member for York South. As a result of this rule, very often there are contradictions, but that is still the rule.

Mr. Lewis: Only in this House do I have to take his word.

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ROYAL CANADIAN MOUNTED POLICE

ALLEGATIONS BY FORMER CORPORAL RAMSAY—REQUEST FOR ROYAL COMMISSION INQUIRY

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I direct my question to the Prime Minister. Now that the government must have had the opportunity of reading the allegations in *Maclean's* magazine concerning the Royal Canadian Mounted Police, is the government giving consideration to the appointment of a royal commission inasmuch as everywhere across the country members of the force are deeply distressed by that article and want the opportunity of having an investigation?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker.

Mr. Diefenbaker: I then ask the Prime Minister whether the reason the government does not want a royal commission is the support given to the statements made by Ramsay in *Maclean's* magazine by Peter Newman, who has a national reputation—

Some hon. Members: Oh, oh!

Mr. Diefenbaker: —a notorious one for being a writer of fiction?

Some hon. Members: Hear, hear!

NATURE OF INVESTIGATION OF ALLEGATIONS BY FORMER CORPORAL RAMSAY—POSSIBILITY OF CHANGES IN SERVICE COURT PROCEDURES

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I direct a further question on the same subject to the Solicitor General. I note that he is reading. Possibly he is now reading the article. First, I wish to ask the minister to answer, yes or no, whether he has read the article. Second, what action is he taking, either with the Commissioner of the RCMP or in his department, to investigate the broad allegations in that article?

• (1440)

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, I have read enough of that article to realize it really deals with generalities. I am waiting for specific information to see whether we should really look into the matter with a view to improving our operations. Among others one thing struck me which was dealt with again this morning in the editorial of a newspaper the right hon. member for Prince Albert doubtless considers very important, that the rate of suicide is a thousand times higher within the RCMP than among the population generally. That is entirely false.

[*English*]

Mr. Diefenbaker: May I ask a supplementary question? The minister has chosen to bring me in and I must answer him.

Mr. Speaker: Order, please. I will recognize the right hon. gentleman but first we should perhaps allow a supplementary by the hon. member for Regina-Lake Centre.

Mr. Benjamin: May I ask the Solicitor General whether he has been in touch with Mr. Ramsay to obtain further details as to the allegations, and whether or not he will have changes made in the Commissioner's standing orders and in the procedures of service courts in order to allow members of the force their full civil and legal rights?

[*Translation*]

Mr. Goyer: Mr. Speaker, if that person is serious and has facts to point out to the government, then it is his duty to do so. But I am not going to bite every time someone casts a bait. Moreover, and needless to say, the government is concerned about the rights of individuals; we are certainly going to examine that matter concerning the RCMP. Finally, if the hon. member wants to know what I think of the RCMP in general, he might, if I may suggest it to him, read the speech I made on June 29 last to the members of the Quebec Police Association.

[*English*]

Right Hon. J. G. Diefenbaker (Prince Albert): Since the Solicitor General has seen fit to mention my name, may I ask him whether he has read the four or five editorials in newspapers across the country saying he has made such a mess of things that the only remedy, is "Go, Goyer, go"?

Some hon. Members: Go, go!

[*Translation*]

Mr. Goyer: Mr. Speaker, the same slogan had me elected with a majority of 24,000 votes at the last election. At any rate, it is true that I read some editorials and I would at times have the same reaction when reading editorials which really lack seriousness, because the writer did not get the facts and sought the truth.

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a supplementary.

[*English*]

Mr. Speaker: Order. The Chair will recognize the hon. member for Lotbinière, but it seems to me the question period so far has not been a very helpful one in many ways.

Mr. Hees: The best we have had for a long time.

Mr. Speaker: Perhaps it has been interesting, but I know that some hon. members who have been waiting for an opportunity to ask their questions may feel otherwise.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a supplementary for the Solicitor General.

Did he or did he not have discussions with the RCMP in connection with those articles?

Mr. Goyer: Mr. Speaker, I have bi-weekly meetings with the Commissioner and his main advisers and we discuss on a continued basis in order to improve the operations of the RCMP and to make it such that it meets the aspirations of Canadians, who consider it very effective and very honest.

* * *

[*English*]

EXTERNAL AFFAIRS

LITHUANIA—OCCUPATION BY SOVIET UNION—CANADIAN POSITION

Mr. Walter Deakon (High Park-Humber Valley): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. Is the minister aware of reports that a third Lithuanian citizen has immolated himself by fire in protest against the continued occupation of this Baltic state by the Soviet Union? If so, will he ensure that Canada's support and concern for the principle of self-determination by all peoples of the world are adequately and effectively conveyed to the government of the Soviet Union?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Yes, Mr. Speaker, I am aware of these reports and I am sure all members of the House join with me in saying that these deaths constitute a terrible human tra-

gedy. In regard to the second part of the question, I am sure the hon. member and all other members know that, while we fully appreciate the *de facto* situation, the Canadian government has consistently refused to recognize the legality of the incorporation of Latvia, Estonia and Lithuania into the Soviet Union.

* * *

IMMIGRATION

INQUIRY AS TO CHANGES IN MEMBERSHIP OF APPEAL BOARD—EXERCISE OF EQUITY

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. Is the minister giving consideration to changing the personnel of the Immigration Appeal Board during the coming weeks?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): No, Mr. Speaker. The hon. member may possibly have forgotten that the Immigration Appeal Board is an independent body set up by an act of Parliament and composed of nine members. I certainly have no intention of putting forward amendments to that act until late in the fall.

Mr. Nesbitt: Would the minister, then, give consideration to causing an inquiry to be made under the Inquiries Act to determine whether the present members of the board are carrying out the terms and intent of the legislation, bearing in mind that there have been so many complaints about the board's failure to use its power to exercise equity?

Mr. Mackasey: On looking into this question in a preliminary way I have found to my happy surprise that 42 per cent of the cases referred to the board under section 15, that is, on humanitarian grounds, are decided in favour of the would-be immigrant. That is a very high percentage.

Mr. John Gilbert (Broadview): Would the minister advise the members of the Immigration Appeal Board that they should exercise equity and be compassionate in all the cases they consider?

* * *

INDIAN AFFAIRS

ALLEGED WITHHOLDING OF FUNDS FOR ORGANIZATIONS IN ONTARIO

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question was intended for the Secretary of State but in his absence I should like to direct it to the Minister of Indian Affairs and Northern Development. May I say that I express my sympathy for him in that the Prime Minister does not believe he is doing as good a job as are some of the other ministers. Would the hon. gentleman inform the House why core funding of Indian organizations in Ontario is being withheld?

[Mr. Sharp.]

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, the funds provided to the various provincial organizations for Indians are administered by the Secretary of State and I do not see why they could have been withheld. I will inquire and report in due time.

[*English*]

Mr. Yewchuk: Would the minister be willing to investigate this situation in addition to the circumstances surrounding the withholding of funds for treaty research and undertake to report to the House on motions?

[*Translation*]

Mr. Chrétien: Mr. Speaker, it is a complex question; when I obtain an answer, I will be pleased to inform the House. If we are not sitting, I will advise the persons concerned, namely the Indians.

* * *

[*English*]

CONSUMER AFFAIRS

ALLEGED FAILURE OF AUTOMOBILE MANUFACTURERS TO EQUIP CARS WITH BUMPERS STRONG ENOUGH TO WITHSTAND TOWING

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, I have a question I should like to bring to the attention of the Minister of Consumer and Corporate Affairs. It has to do with a matter of some concern to a great many consumers in this country. I refer to the fact that some of the leading motor car manufacturers have apparently failed to equip their new vehicles with bumpers strong enough to withstand towing. Is the minister aware of this and does he intend to give consideration to this matter, possibly in conjunction with the Minister of Transport, with a view to seeing that the deficiency is rectified?

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): The matter has been brought to my attention and we are giving it some consideration now.

* * *

FINANCE

POSSIBLE CONFLICT OF INTEREST IN OPERATIONS OF CHARTERED BANKS IN NEWFOUNDLAND

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is directed to the Acting Minister of Finance. Is the acting minister aware of the terms of the O'Dea commission report which reveals a possible conflict of interest affecting chartered banks in Newfoundland and, if so, does he intend to take action on this allegation?

• (1450)

Hon. Jean-Luc Pepin (Acting Minister of Finance): Mr. Speaker, I am sorry not to have the answer but I will direct the question to the attention of the Minister of Finance.

PRICES AND INCOMES COMMISSION

INQUIRY AS TO PUBLICATION OF STUDIES ON CONTRIBUTION OF LAND COSTS AND GOVERNMENT OPERATIONS TO INFLATION

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct a question to the Minister of State for Urban Affairs. Is it the government's intention to make public the research studies of the Prices and Incomes Commission, in particular the study on the contribution of land costs to housing inflation and the study on the contribution of government sectors to inflation and, if so, when can we expect an announcement to be made on these important subjects?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, the correct answer would be that the Prices and Incomes Commission intends to publish many of its research studies. I cannot say whether it will be publishing those particular ones; I do not have that information. I will be happy to supply it to the House and to supply the hon. member with a list of the research projects the commission intends to publish.

METHOD OF FINANCING COMMISSION SUBSEQUENT TO END OF MARCH, 1972

Mr. A. D. Hales (Wellington): Mr. Speaker, I should like to direct a supplementary question to the minister. In view of the fact the House passed estimates for the Prices and Incomes Commission to operate until the end of March, how does the minister expect to operate the commission? Does he intend to bring in supplementary estimates?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, that is a question that my colleague, the President of the Treasury Board, will have to answer.

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INDIAN AFFAIRS

POSSIBLE REPLACEMENT OF FERRY SERVICE TO CHRISTIAN ISLAND BY CAUSEWAY—DISCUSSION WITH ONTARIO

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. In view of the very serious disaster off Christian Island on the weekend and the apprehension and inconvenience now being caused, is the government having any discussions with the province concerning the building of the causeway that was being considered ten years ago?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am not aware of any negotiation being conducted with the Ontario government on this subject but I shall look into it and we will consider the hon. member's suggestion.

[*English*]

Mr. Rynard: Mr. Speaker, I have a supplementary question. I should like to refer to the fact that there appears to be dual control in respect of this island. For instance, the province of Ontario has control of hydro and some of the roads. That is why I referred to the fact that a causeway was being considered ten years ago.

* * *

PENSIONS

SUGGESTED LEGISLATION TO LOWER ELIGIBLE AGE TO 60

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. In view of the references the minister has made a number of times to the possibility at some point of lowering the eligible age under the Old Age Security Act as well as under other pieces of pension legislation, will the government give consideration to preparing legislation to be introduced when we return on September 28 to start lowering the eligible age to age 60, doing it one year at a time as was done when it was brought down from 70 to 65?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I cannot be definitive as to when the government might be prepared to do what the hon. member suggests.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, is the minister prepared to be definitive that it will be done some day?

Mr. Munro: As the hon. member is aware, Mr. Speaker, we have already indicated in a general way in the White Paper on Income Security that this is an area for future consideration.

Mr. Knowles (Winnipeg North Centre): Why not do it now?

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CANADIAN CULTURE

INQUIRY AS TO NAMING OF MEMBERS OF ADVISORY COUNCIL ON MULTICULTURALISM

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I have a question for the Prime Minister. In May he stipulated that he would advise the House who would make up the formation of the Canadian Advisory Council on Multiculturalism. Would he name those people so there could be recognition of the visible minorities of Canada?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, we are giving consideration to this very subject now. The Secretary of State has begun to assemble a list which we will consider in cabinet next week, I believe. I will make sure that members of the Polish community, to which the hon. member belongs, will be given due consideration.

Inquiries of the Ministry

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I have a supplementary question. In view of the treatment of the native peoples in the fourth volume of the B and B Commission reports, where their problems were just touched upon and almost excluded, are the Indians and Eskimos also going to be part of this multicultural policy?

Mr. Trudeau: Mr. Speaker, the lists are not final and I cannot say at this time if there is inclusion of representatives of those groups.

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INQUIRY OF THE MINISTRY

Mr. E. B. Osler (Winnipeg South Centre): Mr. Speaker, I have a question for the Minister of National Health and Welfare. A citizen named Lawrence Paul Rubin reputedly worked for the Le Dain Commission some two years ago and was fined $150 in an Ontario court for possession of hashish. Last winter he was working in the prairie provinces and a Manitoba court fined him $350 for possession of hashish. On both occasions he seems to have been working in one way or another in a federally-appointed job. I am wondering whether the minister can tell us what further schemes he or any other minister may have up their sleeves to spread federally sponsored largesse further among the other provinces?

Mr. Speaker: Order, please.

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THE CANADIAN ECONOMY

SUGGESTED USE OF PORTION OF FOREIGN EXCHANGE RESERVES TO BUY FOREIGN-OWNED SECTORS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister. In view of the fact that Canadian foreign exchange reserves have reached an all-time high, some $6.22 billion, and in view of the further fact that the Minister of Finance two or three weeks ago said he would give consideration to a suggestion I made that the government of Canada might use part of these reserves to buy up certain sectors of the economy which are foreign owned, is the Prime Minister in a position to inform the House whether or not the government has decided to act in this way?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I certainly could not answer that question in a positive way without making a long statement of policy.

Mr. Broadbent: Mr. Speaker, I have a supplementary question for the Minister of Industry, Trade and Commerce. In view of the fact the government of Japan has embarked on the imaginative use of part of their foreign exchange reserves in this direction, would he consider sending some of his advisers to Japan to see how this is done?

• (1500)

Mr. Speaker: Order, please. I apologize to a number of hon. members I had hoped to recognize. I hope I will have the opportunity to give them priority tomorrow. I have noticed the hon. member for Meadow Lake, the hon. member for Wellington, the hon. member for Vegreville, the hon. member for Victoria-Haliburton and, of course, the hon. member for Dartmouth-Halifax East. I extended the question period for a few minutes to take into account the rather lengthy question of privilege which took ten minutes or at least a few minutes earlier this afternoon, but I think I have no alternative now but to call the orders of the day.

[Mr. Trudeau.]

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TRANSPORT

TRENT AND RIDEAU CANALS—INQUIRY AS TO CREATION OF COUNCIL TO CONTROL WATERWAYS

Mr. W. C. Scott (Victoria-Haliburton): On a point of order, Mr. Speaker, I asked a question yesterday that was accepted by the Minister of Indian Affairs and Northern Development. It is of great importance to the people of my area. Has the minister left?

Mr. Alexander: He heard you and he is running away.

An hon. Member: Here he comes.

Some hon. Members: Hear, hear!

Mr. Scott: Mr. Speaker, this question deals with the proposed creation of a council to govern the Trent and Rideau waterway systems. I should like to ask the minister whether a date has been set for the creation of the council and when it is expected to take control of the systems?

Mr. Speaker: Order, please. I will allow the minister to reply but of course this has to be done by consent of the House because the question period has expired.

Some hon. Members: Agreed.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I apologize for not answering this question any sooner, but I would like to do so now.

First of all, it is a suggestion respecting the creation of an advisory council to advise the federal and provincial governments about the administration of those waterway systems; it is not a council charged with the administration but an agency that would advise us. This matter is now under consideration and I hope the Ontario government and my department will be able to give the public an answer within the next few weeks.

[*English*]

Mr. Speaker: Orders of the day.

* * *

BUSINESS OF THE HOUSE

Mr. MacLean: Mr. Speaker, I rise on a point of order. Before the orders of the day are called I should like to ask the Minister of State for Urban Affairs, as acting House

leader, what business the government proposes to place before the House in the likely event that Bill C-230 will be disposed of before five o'clock tomorrow?

Mr. Basford: Mr. Speaker, after the question period, which has concluded now, we will call Bill C-230, the ports bill, followed by Bill C-170 dealing with family income security. When that is completed we will call Bill C-201, the foreign takeovers bill. I also understand there have been some discussions through the usual channels of the possibility of reverting to motions in order to make a motion relative to a reference to a standing committee. I would therefore ask leave to revert to motions.

Mr. Speaker: Does the hon. minister have leave to revert to motions at this time?

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

INDIAN AFFAIRS

MOTION AUTHORIZING STANDING COMMITTEE TO HEAR REPRESENTATIVES OF UNION OF BRITISH COLUMBIA INDIAN CHIEFS

Hon. Ron Basford (Minister of State for Urban Affairs) moved:

That the Standing Committee on Indian Affairs and Northern Development be authorized to hear representations from the Union of British Columbia Indian Chiefs.

Mr. Speaker: Hon. members have heard the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

GOVERNMENT ORDERS

ST. LAWRENCE PORTS OPERATIONS BILL

MEASURE TO PROVIDE FOR RESUMPTION OF LONGSHORING AND RELATED OPERATIONS

The house in committee on Bill C-230, to provide for the resumption of the operation of the ports of Montreal, Trois-Rivières and Quebec—Mr. O'Connell—Mr. Honey in the chair.

The Chairman: House in committee of the whole on Bill C-230.

On Clause 2—*Definitions.*

Mr. Peters: Mr. Chairman, clause 2 is the general clause. This is a piece of emergency legislation. As the minister pointed out yesterday this is the type of legislation the federal Parliament has reluctantly passed on a very limited number of occasions in the past. Hopefully, with the coming into effect of the Canada labour bill we recently passed there will be less and less need for this type of legislation.

Members of Parliament are handicapped in discussing this type of emergency for two major reasons. First, most of us are not familiar with either organization which is involved, whether it be the maritime shipping agencies, their component parts, or the union involved or other unions which may be indirectly involved. Yesterday the minister mentioned that a great deal of national difficulty has been created because of the closing of one of Canada's major ports. I think that is an exaggeration in an extreme sense. I am quite sure the port of Montreal is not closed. I am unfamiliar with the operation of the port authority in Montreal and, therefore, I am not too sure what authority the port council may have. I rather imagine, however, if we were really familiar with the facts rather than with what the media have reported in this particular strike, we might be less concerned than we appear to be. It is always easy to build up the argument that so many people are on strike, that the strike has continued for a certain length of time and therefore the public in some way must be affected either directly or indirectly.

It usually is a fact that the public is directly or indirectly affected. However, I imagine in this particular case the public is affected very little, and probably there have been no shipments of grain either stopped or delayed because of the strike. Some container or merchandising freight probably has suffered considerable dislocation, but this dislocation probably is to the advantage of Halifax, Saint John and other Maritime ports, including I am sure, some of the ports on the St. Lawrence Seaway which are available to ocean-going ships. Probably the ports of Hamilton and Toronto as well have had some benefit. Therefore, we are really discussing this piece of legislation as relating to an emergency situation, without really having been informed about the scope of the emergency.

I am sure that the port of Montreal over the past 50 or 75 years, and until the last three or four years, has always experienced some difficulty because for a period of five or six months in the year the river was frozen. When several new icebreakers were commissioned a few years ago the situation was obviously changed considerably for the port of Montreal. I believe there have been difficulties at the port of Montreal previously which did not have a national consequence, even though the port was totally closed for periods of four or five months in the year.

The point I am making is that we are being asked to pass national legislation to end a situation with which I, personally, am not too familiar and which the minister himself has not outlined. I do not know whether a bushel of grain has been delayed because of the strike. I took it upon myself, in order to obtain information, to make several phone calls to people I know who are very close to the port in Montreal. I asked them whether the port was closed and how many ships were in the port. They said the port is not closed and is operating as usual. They indicated something the minister has not mentioned. There really are four or five major unions operating in the port of Montreal, loading, unloading and handling cargo in that area. They include the CBRT, the CNTU, the Mercantile

Union, the Longshoremen's Union and I presume other unions associated with other aspects of moving cargo on the dock.

The port of Montreal I am sure has built up over a period of years, and now on a year-around basis, a very large mercantile trade. It has done so in the import-export field and more recently in the container field. I am sure any disruption in this traffic would have an effect on the community, on the people who work in the dock area and, in fact, on the economy of Montreal in general. Whether or not this has reached the disaster level that would warrant this type of emergency legislation I am not sure. I suggest that no one, including the newspapers and other media which usually are fairly diligent in searching out information that would enable Members of Parliament to make a fairly good decision in respect of the emergency, has been diligent in investigating the rumour that grain is not being shipped as a result of the stevedores' strike. I spoke to some people who work as crew members on ships in the Great Lakes and the St. Lawrence Seaway, and they tell me there has not been one of their ships which has suffered any difficulty. There have been changes in places of loading and unloading, the destinations have been changed and other changes have taken place, but there has been no dislocation.

• (1510)

The point I am making is that I am not opposed to us doing something about the situation, but I am of the opinion that we are not dealing with a national emergency in even a very small sense. It may be that this has developed into that type of a problem, but if that is so, I am not aware of it. I have been involved in many strikes and I can assure you that if a large number of people are unemployed for eight weeks they are in serious difficulty. I am sure that if there are others on the management side who are operating businesses, and who are not having their deliveries made to their home port, they are also having difficulties. But I think that this bill contains no provisions that will solve the problems which originally caused this strike and, in fact, the decision on those points is now being left to an arbitrator who is to make a settlement some time in the future.

I suggest it is unfortunate that we did not have available to us the section of the new Labour Code under which a mediator could have been appointed to represent the public before a situation hardened to the extent that a compromise was no longer possible. I disagree with the minister. There is no question about his sincerity, honesty or integrity, but I think that he was overly cautious in not entering this dispute three or four weeks ago. Obviously, the problem did not appear to be any closer to settlement no matter whom he sent to negotiate on his behalf, and it seems to me that the minister had an opportunity to settle the dispute earlier.

This legislation would not be before us today if the former minister of labour had been the minister, because I am sure he would have gone to the parties and said: "I demand on behalf of the nation that this matter be settled. I will assist you to settle it and I will stay here until it is settled". Many of us can remember much more serious situations than this one when the minister went to Montreal and stayed there for several days at great personal sacrifice to his health and to his personal wellbeing. However, the parties did arrive at a settlement because no matter what the problem is only two people can arrive at the settlement and those two people represent management on the one hand, and the workers on the other. Until those two people decide to reach a decision, there will not be a decision. Unless the workers in this case decide that that can be accomplished with the arbitrator acting in the role of a trustee, there really is no reason for them to go back to work and they are not likely to do so. We will not, therefore, be much closer to reaching a solution than we have been in the past.

I do not believe it is fair to Members of Parliament and to the country for us to pass this legislation as emergency legislation. So far as labour relations are concerned, this is a very drastic type of legislation. The government has involved itself in this dispute and they will arrive at a settlement. I congratulate the minister for having introduced what is probably the mildest form of government intervention that he could find, and I sincerely hope that the arbitrator will be able to act on behalf of both parties in the role of a trustee. He will certainly have to have the patience and the ability of Solomon to arrive at a conclusion of a problem which involves technical changes entailing a smaller work force in the future. Therefore, his job will not be an easy one and a solution will not be found easily. I suggest that one of the weaknesses in passing legislation of this nature is that we are not able to call witnesses.

Mr. Alexander: You said you wanted us to deal with it in committee of the whole.

Mr. Peters: Of course I did, and I am sure that we cannot have it both ways, but let us not kid ourselves. I am not so stupid as to think that holding it in committee for three hours—and that is about all it would take—would have warranted the calling of 30 or 40 witnesses to ascertain the extent of the problem. I am sure that most hon. members were not prepared to carry this debate on for two or three weeks, which would have been necessary if we were to follow that procedure.

Mr. Yewchuk: We are prepared to stay.

Mr. Peters: Some of the Conservatives may be prepared to stay, others have already left, as have some members of other parties. I am not suggesting that we engage in that kind of exercise. The only point I am making is that I am not sure there is an emergency simply because I have been told that that is so. My information is that ships are sailing in and out of Montreal harbour.

Mr. Rock: No, passing it.

Mr. Valade: There are only three ships in the port now, out of 150 possibilities.

Mr. Peters: Mr. Chairman, I am getting considerable help and it seems that the committee of the whole now resembles a standing committee with witnesses before it. Of course, the witnesses are not reliable because obviously they have an interest in the subject, and we should really face the problem on that basis. But I did want to say that this is a very serious step that Parliament is

taking. I hope that the results of the legislation will prove we were right in taking this step. I sincerely hope that the minister's wish is that in the future the appointment of a mediator will represent a totally new force in labour relations and that the interest of the general public can be served by the introduction of a mediator under the Labour Code at a very early stage of future negotiations. The minister said quite rightly that we should not be making the decision as to the final outcome of this conflict because the facts are so complicated that the mediator who had been appointed by the government was unable to make recommendations, and that therefore we should leave that area wide open. With that I agree, Mr. Chairman, but I do suggest that we are taking a very serious step on only hearsay information.

• (1520)

I would have been much happier with this bill if the minister had outlined not only the difficulty that developed in the labour dispute, which I can comprehend from reading the previous contract and looking at the changes made in the recent contract as well as the recommendations made by those who looked at the recent contract, but had also outlined in more detail the effect on the public interest. If this bill had been introduced in the normal course of a parliamentary session rather than in its dying days, we would never have given consideration to it without considerably more information. I sincerely hope that the judgment made by government members, when deciding to present this legislation, is justified. I sincerely hope that passage of the bill will go some way towards ending a problem that not only involves this union but will involve other unions, as was the case several years ago with the Freedman report on the reduction of railway crews and the retirement of people made supernumerary because of technical changes in industry.

I hope, Mr. Chairman, that the desired results will be achieved, and that parliament in future, before this kind of decision is made, will be given much more information. We are not here to negotiate contracts between management and unions. We are meeting in an emergency situation to solve a problem that has become detrimental to a large segment of the Canadian population. On that side of the problem, we have received very little information that is not hearsay. Investigations made by hon. members have not been sufficient to date, and therefore reliance on the government is necessary. I hope this bill carries with it a sense of responsibility on the part of the government, and that this action will be sufficient to eliminate the problem.

Mr. Murphy: Mr. Chairman, I had originally intended to enter this debate for a purpose different from that with which I am now entering it. This bill, despite what the hon. member for Timiskaming says, is a necessary one at this time. There is no doubt in my mind that it is necessary. The bill proposes to do two or three things. It requires the employees, the longshoremen, to go back to work, and it requires the employers to re-open their plants for work. It carries with it, through the operation of the Criminal Code, certain sanctions. An officer of a union who does not abide by the provisions of this bill can be fined or put in prison.

Mr. Peters: Only imprisoned.

Mr. Murphy: No, not only imprisoned. Under the provisions of the Criminal Code any crime that carries with it a penalty of five years or less may have the penalty changed by the trial judge to either imprisonment or fine, or both. This clause applies to officers of the union, members of the union, employers—

Mr. Alexander: Mr. Chairman, I rise on a point of order. I appreciate the remarks now being made by the hon. member for Sault Ste. Marie, but I am becoming a little confused. I notice that we are on clause 2 of the bill, the definition clause. I am sure there are other clauses in the bill on which one could ramble and get involved in generalities. Even though not wishing to cut off the hon. member's very brilliant speech, I wonder if he is in order in making it on this clause. If we are going to carry on this way, we will be here for a considerable length of time.

The Chairman: Order. The hon. member for Hamilton West has a valid point. We are now on clause 2 of the bill, a definition clause. The Chair gave the hon. member for Timiskaming quite a degree of latitude. I would be prepared, on the first round of speakers, to give some latitude, but I would suggest that other speeches, when we move from clause 2—

Mr. Brewin: How can you treat one group differently from another?

The Chairman: —should be relevant to the clauses.

Mr. Brewin: Mr. Chairman, I rise on a point of order. I do not understand by what principle the Chairman rules that one group of speakers be given a certain latitude and others not be given the same latitude. I suggest that you apply the same rule to all who seek to participate in this debate.

The Chairman: I am probably repeating myself, but what I intended to say to members of the committee was that with reference to clause 2 the concept of the Chair is that we would have, on the first round at least, relatively wide debate. The hon. member for Hamilton West raised a point of order as to whether or not the hon. member for Sault Ste. Marie was in order. I think the hon. member is in order, as I ruled. I think the hon. member for Timiskaming ranged a bit wide, but I did not call him to order. With respect, my ruling is that I would like to have the first round on clause 2 at least relatively wide, with the hope that hon. members would then confine their remarks as closely as they could to the clauses before the committee.

Mr. Murphy: Mr. Chairman, if the hon. member for Hamilton West had been a little more patient, he would have learned in short order that I was about to make my remarks relevant to clause 2. It is as a result of the definitions in clause 2 that certain individuals become liable to the criminal sanctions provided in the Criminal Code. Employer, as defined in clause 2, "means the Maritime Employers Association and any member of that association that was, on May 16, 1972, bound by a collective agreement to which this act applies." As a result, when clause 3 of the bill makes it an offence for the employer to fail to resume longshoring and related operations in Mont-

real, Trois-Rivières and Quebec City, not only individual employers but the employers association can be charged in a court of law under the Criminal Code.

The same provision applies to clause 6(a) which says "no employer shall declare or cause a lock-out." An employer who causes a lock-out can be prosecuted, and so can the Employers Association. I ask hon. members to look at the bill and see what is on the other side of the coin. If a union member refuses to go to work that union member can be prosecuted in the same way as the employer or the employers association. If a union officer does not abide by the terms and regulations of this bill, that officer can be prosecuted in the same way as the employer or the employers association. But, Mr. Chairman, nowhere in that bill does it say that a union, as an association, can be charged or made responsible in the same way that the employers association can be made responsible.

• (1530)

An hon. Member: Right!

Mr. Lewis: Where do you get that? Read the definition.

Mr. Murphy: I see the hon. member for Hamilton West nodding his head, realizing that I was on point.

Mr. Alexander: I did not say you were on point; I appreciate your argument.

Mr. Murphy: The definition of union is very simple. According to clause 2(1)(b):

"union" means the International Longshoremen's Association and any affiliated locals thereof representing persons ordinarily employed—

Now, I ask the hon. member for York South to read the other sections of the bill. In no place does it say that the union is responsible. It says that every person who is ordinarily employed in longshoring must go back to work when so required, and so on, but it does not say that every person who is ordinarily employed in longshoring means the union. If the bill carried the provision that every person who is ordinarily employed in longshoring or related operation at any of the ports of Montreal, Trois-Rivières and Quebec and who is bound by the collective agreement and so on, means the union as defined in clause 2, then I would agree wholeheartedly with the hon. member for York South.

Mr. Lewis: There is a legal reason for it.

Mr. Murphy: I suspect the legal reason is that this government does not want to move toward—

Mr. Lewis: A union is not a juridical person.

Mr. Murphy: Neither is an employers' association a juridical person.

Mr. Lewis: This may be but it may be incorporated; it probably is.

Mr. Murphy: Answering the interjections, Mr. Chairman, I am sure the hon. member for York South will have an opportunity to speak in this particular field again in this debate.

Mr. Lewis: It makes it more interesting.

Mr. Murphy: I would say that if this Parliament sees fit to include in this bill a provision making the union as such liable to the same penalties as its members, then this Parliament can do that, whether or not any union is or is not recognized as a legal entity. For the purpose of this bill, it is within the power of this Parliament to make a union responsible.

I make these suggestions because I would not like to see this Parliament fall into the trap—and the hon. member for York South mentioned traps yesterday—of making only members of unions and officers of unions responsible under the law. If that is done, then when a union member or officer is fined for having broken the law and does not pay the fine but goes to jail, he becomes a martyr as a result of breaking the law. In this case, that would involve 3,600 or 3,700 people. The jails are not large enough to handle them and the government would be made to look like an ass.

Some hon. Members: Hear, hear!

Mr. Murphy: If the government is given the power to hit the pocketbooks of the union in the same way that it hits the pocketbooks of an employers' association, then the likelihood of long strikes, and particularly in this case the continuation of the problem, is very remote. Some will say that in this particular case my comments have no real meaning because this particular group of unions does not have any money anyway. But there are clauses in this bill, Mr. Chairman, which provide that the act remains in effect for three years, the length of the agreement that was signed. There is nothing to say that there will not be trouble three years from now, and at that time the union bankroll might be a little larger than it is now, as would be the case with the employers' association bankroll which I would think is also being depleted as a result of the work stoppages.

Some hon. Members: Poor fellows!

Mr. Murphy: I am not saying, "poor fellows"; I am not carrying any cudgel in this debate. I am simply pointing out that what is good for the goose is good for the gander. If you are going to get at the pocketbooks of the companies or associations on the one hand, you should also make similar provisions in the bill to get at the pocketbooks of the union as an association of workers.

Some hon. Members: Hear, hear!

Mr. Murphy: The bill does not provide that now. I am not going to propose any amendments.

Mr. Alexander: Why not?

Mr. Murphy: I will leave it to the government to decide whether my representations are worth considering.

Mr. Alexander: Mr. Chairman, I certainly appreciate the arguments the hon. member brought before the House.

Mr. Murphy: You might have mentioned it yesterday.

Mr. Alexander: I do not want to be repetitious but I think they call for a question. I know what the answer probably will be from the minister, but I think in view of the argument that was presented perhaps the minister should tell the House why there seems to be only one cudgel in this bill and the union, as such, has been ignored. I wonder whether there is an answer to that question.

The Chairman: The hon. member for Greenwood.

Mr. Brewin: Mr. Chairman, I want to make—

Mr. Alexander: Mr. Chairman, with all due respect, I saw the minister rising and I believe he had an answer for me.

The Chairman: Order, please. I saw the hon. member for Greenwood in his place and I recognized him. At that point, the hon. minister was also rising. I think the committee would feel that we should hear the hon. minister, and then I would then recognize the hon. member for Greenwood.

Mr. O'Connell: Mr. Chairman, the object of the sanctions in the bill is to make it as effective as possible. In this instance, in my judgment the most effective sanction with respect to the longshore unions is to proceed through their officials. In this specific instance it has been the wilful acts of officers of this union that have led to the situation in which we now find ourselves.

I address myself to another aspect of the question raised by the hon. member to point out that under the present laws, under the Canada Labour Code, a union as such can be proceeded against for any violation of a labour agreement or the Canada Labour Code. For those purposes there is no question that a union is a corporate person, is a person under the law. We know that in civil proceedings a union can be proceeded against in the courts by way of injunction and by way of contempt proceedings. Yesterday a judgment was rendered which levied fines for contempt of a court order, not only on the union but on individual officers. Therefore, part of the answer to the question is that under the Canada Labour Code, or under civil proceedings, the union may be proceeded against as such.

What we are discussing here, and what we have in front of us is a specific bill, an emergency bill, in which penalties are not specifically spelled out; the penalties are those which flow through the Criminal Code of Canada. In my judgment this would be most effective in bringing about the results we want. The results we want are surely not extremely punitive ones, but to get the men back to work and to get the ports operating. To do that, in my judgment, and I hope that members of the House will support me in this, the most effective way of proceeding is through the officers of the union, as the bill provides.

• (1540)

Mr. Murphy: Mr. Chairman, will the minister permit a question. It is really a double-barrelled question. First, is it not true that, as this bill does not provide that certain individuals or groups of individuals will be subject to penalties under the Criminal Code, the Code itself does not provide for penalties? Second, if what the minister has told us is really the purpose of the bill, namely, that it is not intended to be punitive so far as the unions are concerned, and that is fine, is there any objection to removing the words "Maritime Employers Association" from the clause, so that it will be the members of the association, along with members of the union, who will be subject to the penalties which are suggested?

Mr. O'Connell: Mr. Chairman, I am advised that "Maritime Employers Association" is included in the definition of employer in order to obviate the necessity of listing the 50 or more shipping companies, stevedoring companies and shipowners, who belong to and are members of that association, the total composition of which is not available to us. Let me point out that the bill obliges the Maritime Employers Association and the companies to do two things, to resume port operations and to not engage in lockouts.

Mr. Brewin: Mr. Chairman, I understand we are discussing clause 2 of the bill. Clause 2 defines "strike" in part as:

—a cessation of work or a refusal to work or to continue to work by employees,—

There are a few other words which I do not need to mention. By reason of this definition, the effect of this bill will be to limit the right of a person to strike, to cease working, to refuse to work or to refuse to continue to work. I support this clause with extreme reluctance. I was happy to note that the minister also expressed extreme reluctance over it. I believe, and my associations in the past with the trade union movement may be partly responsible for my views, that the right to strike is absolutely essential if we are to maintain an industrial democracy. I think that there should be an order directing people back to work only in cases of clear, national emergency.

I differ with my colleague for Timiskaming here. There is no doubt that this strike lasting eight weeks in those important ports does constitute a national emergency and this legislation is therefore justified, but only, in my view, because there is such a national emergency. When three of our main ports to a large extent have been closed down, when the entire wheat industry which maintains the Prairies and which is an important factor in the economic well being of our country is threatened because farmers are not able to distribute their produce as a result of this strike, I say the time has come to act, although I accept this action with great reluctance. I hope this bill will receive the unanimous support of this House, because I believe it represents the will of the people of Canada.

[*Translation*]

Mr. Dupras: Mr. Chairman, from the remarks of the hon. member for Greenwood (Mr. Brewin) it is certain that no hon. member would oppose the passing of this legislation. Everyone was expecting a settlement to come about well before today. It was never thought that there would be such a long delay before the longshoremen got back to work. The agreement had been signed and accepted in March of this year. All hon. members, both of our party and of the opposition, had hoped that the longshoremen would decide to go back to work on their own accord.

I want to put my support on the record for the legislation that will be passed today, hopefully. It was also hoped that the introduction of such legislation would not be necessary.

[*English*]

Mr. Alexander: Mr. Chairman, may I ask the minister another question. I noticed that when he was asked about penalties and sanctions previously, he related his answer to the Criminal Code. At least, he mentioned the Code. As I understand it, the Criminal Code, in cases like this, comes into effect only when no other law applies. I think this is covered either by section 115 or section 107.

An hon. Member: Section 115.

Mr. Alexander: Can the minister tell me whether, in this situation, the Criminal Code or the present labour legislation would take precedence? Which legislation would take precedence? Does this come under section 147? I understand that Section 115 of the Code applies only if no other law applies. Perhaps I am somewhat confused. I know the minister mentioned the criminal law in the first instance. The penalties may be double-barrelled, coming under the present labour legislation and under the Criminal Code. I want to know which law takes precedence.

Mr. O'Connell: Mr. Chairman, I am advised that this being a special act of Parliament, introduced for a specific purpose, it takes precedence over the Canada Labour Code and, therefore, it is the provisions of the Criminal Code that would apply with respect to this particular bill rather than the provisions of the Canada Labour Code.

Mr. Lewis: Briefly put, this is not an amendment to the Canada labour legislation. This is a separate act.

Mr. O'Connell: That is right.

Clause 2 agreed to.

Clauses 3 and 4 agreed to.

On clause 5—*Persons bound by collective agreement.*

Mr. Forrestall: Mr. Chairman, may I ask if the collective agreement to which this act is to apply, and especially section 1.09 of the agreement between the employers' association and the longshoremen's association, covers the majority of people affected by the strike in the Port of Montreal particularly. Will other unions that are not affiliated with the ILA and are not direct locals of the ILA be affected in any way by the measure we are considering this afternoon. In short, will any other unions be affected?

Mr. O'Connell: Mr. Chairman, perhaps we could stand this clause until I have had an opportunity to look into all its implications. Other locals, of course, work on the Montreal docks. I do not know if the question of job security, about which the hon. member, I think, is asking, is to be modified by the action we are taking. My impression is that the answer is no, but we had better be sure. Perhaps we could stand this clause.

Mr. Forrestall: May I ask another question, Mr. Chairman. Will this act in any way change or alter the rights of other organized unions which might come under the umbrella of this act? Will it affect their rights to withhold services, if, for any reason, they deem it necessary to withhold them?

Mr. O'Connell: To answer the hon. member's second question, Mr. Chairman, this act would apply only to the locals named in the three ports.

Mr. Lewis: In other words, the employees covered by the collective agreement.

Mr. O'Connell: Yes.

Mr. Forrestall: May I follow this matter through to its conclusion. I am asking about a hypothetical situation now, as this, perhaps, is the best time to do it. If another organized union could, by withdrawing services, effectively shut down the Port of Montreal, what would happen to it under this legislation? Has the minister considered the effect of such action on the ILA and the two principal locals that are involved?

• (1550)

Mr. O'Connell: Mr. Chairman, that is indeed a hypothetical situation. In this bill we are only dealing with the present situation and the three unions that are involved in the longshoremen's union. If a new situation emerged, it would be a new situation which I do not think we can anticipate in this particular bill.

Mr. McCleave: Mr. Chairman, there is one point in clause 4 which I am sorry I did not raise before clause 4 passed. Perhaps with the indulgence of the committee, I might be allowed to raise it now.

The Chairman: If the hon. member would like to revert to clause 4, I am sure the members of the committee would agree. Is it agreed?

Some hon. Members: Agreed.

On Clause 4—*Notice that strike declaration, etc., is invalid.*

Mr. McCleave: Mr. Chairman, the question I want to ask the minister is simply this. There is a duty laid upon persons who were officers of the union on May 16, 1972, even though they might not be officers now, to do certain things. I do not know whether there is any person actually affected by the wording of this proposed clause, but if there is and he no longer holds an office, he is on the outside. He is required to send out notices to members without the benefit of a secretary, stationery or even having any position of authority. It strikes me that this wording is a little unusual. I do not know whether I am raising an academic question, but when I read the bill yesterday, I made up my mind to ask the minister or his officials for some kind of interpretation of the effect of this on a person who was an officer, but may not be an officer now and is told to do something he may be very powerless to do.

Mr. O'Connell: Mr. Chairman, the purpose is to maintain the obligation on a union officer whether or not he continues to be one, that is a resignation will not lift from him the obligation or penalties for noncompliance with this provision after the coming into force of the act.

Mr. McCleave: Mr. Chairman, that point did strike me as the reason for it being there, namely that people will not be allowed to duck their responsibilities by resignation. I do not know enough of the facts to know whether this happened or not, but there may be people who have had positions and their union has dealt with them, eased them or pushed them out of office in some way. I can see the point in trying to grab those who might otherwise resign. With regard to the other type of person, I am in a quandary as to whether this is a good measure to have on our statute books to deal with them.

Mr. Benjamin: Mr. Chairman, I rise on the same point raised by the hon. member for Halifax-East Hants. I wonder if the minister will agree that clause 4(1) would read better and take care of the situation if after the words "Each person who was an officer of a union", we inserted something along the line of "a person who becomes an officer of the union while this act is in force". An officer may die or be voted out of office and a new officer will take his place. He was an officer when this act came into force.

Mr. O'Connell: Mr. Chairman, in my reading of clause 4, that eventuality of a future officer would be covered by "who is an officer at the time"—well, that might not cover it.

The Chairman: By unanimous consent, clause 4 was re-opened. Therefore, the Chair must again ask, does clause 4 carry?

Mr. Hellyer: Mr. Chairman, I wonder if the minister would once again review the question of clause 4. Like many other members, I am concerned about this. I would like to know what procedure the minister would envisage in the event of noncompliance. Will he also indicate whether he has had discussions with the attorney general of the province of Quebec and, if so, does he have the assurance of the attorney general that action will be taken under the Criminal Code if that should prove to be necessary?

Mr. O'Connell: Mr. Chairman, my legal advice is that the Attorney General for Canada can initiate prosecutions, if desirable to do so, under this act. I was also asked whether I had discussions with the attorney general of the province of Quebec. The answer is no.

Mr. Hellyer: Mr. Chairman, for the benefit of those of us who are not trained in law, would the minister be good enough to indicate under what statute the Attorney General of Canada would intervene?

Mr. O'Connell: Mr. Chairman, I am unable to identify the statute that would provide that right. We have been assured by the Department of Justice that the Attorney General would have that power to so initiate.

Mr. Hellyer: That is all very well, Mr. Chairman, but the Department of Justice has been known to be wrong on some previous occasions. In this country, under the British North America Act, the administration of justice falls within the jurisdiction of the provinces. It is up to the provincial attorneys general to institute proceedings under the Criminal Code. I would like a little better assurance than I have received from the minister that in fact this bill is anything more than a meaningless piece of paper.

Mr. Brewin: Mr. Chairman, I rise on the same point. May I ask the minister whether he was advised that if the Parliament of Canada creates an offence, the representative of the government of Canada, namely the Attorney General, has the right to initiate proceedings in respect of such an offence.

Mr. O'Connell: Yes, Mr. Chairman. Our advice from the Department of Justice is that the Attorney General of Canada has the power to initiate proceedings for any offence committed under this act. I cannot go any further than that.

Mr. Hellyer: Surely, Mr. Chairman, if the Department of Justice gave that advice, having read their opinions on two or three previous occasions, they would have given some background information as to how this would be done. Does the minister not have that available to share with the committee so that we can have the same assurance that he has?

The Chairman: Shall clause 4 carry?

Mr. Hellyer: Not just yet, Mr. Chairman. I think the minister is reaching for some information. We should give him a little time to get it from his files.

Mr. O'Connell: Mr. Chairman, I cannot go any further than that. I have already informed the committee as fully as I can that the advice given to the legal officers of the Department of Labour by the Department of Justice is that the authority does reside in the Attorney General to initiate proceedings for offences under this act. We were not advised of the source of that particular authority.

• (1600)

Clause 4 agreed to.

On clause 5—*Persons bound by collective agreement.*

Mr. Forrestall: I thought we were going to stand this clause for a little while.

Mr. O'Connell: Oh, yes.

The Chairman: Shall clause five stand?

Some hon. Members: Stand.

Clause 5 stands.

Clause 6 agreed to.

On clause 7—*Postponement of job security plan.*

Mr. Lewis: Mr. Chairman, in my remarks on second reading yesterday, I drew attention to what I believe to be a shortcoming in this clause. I was hoping the minister might come forward with an amendment which would overcome what I believe would be a serious difficulty.

I have not asked any questions, nor, as I recall it, have any of my hon. friends, about sanctions and the like because I think it is obvious that if the law which Parliament is seeking to establish by this bill is disregarded and

we are placed in the position of having to think of sanctions, the exercise we are now undertaking will have failed. I join the minister in hoping that everyone concerned will obey this law as being the will not only of parliament but of the people of Canada. From my conversations by telephone with some people in Montreal I have great ground for hope that the law will be obeyed, at least on the labour side, and I have no reason to doubt that it will be obeyed on the management side. Obviously, when one is dealing with a large number of people—some 3,000 individual members—it is impossible to say how each one of them will act. But I am not so much concerned about sanctions, whether they are included in this bill or whether those contained in the Criminal Code will apply. I take this position because I hope, as I am sure does everyone in this House, that sanctions will not be required. As a matter of fact, the sanctions in the Criminal Code are probably more severe than any which the minister would probably have placed in this bill had he thought it necessary to move along those lines.

Unlike the hon. member for Trinity I am one Member of Parliament who appreciates deeply the approach which the minister and the government have taken. I do not hesitate to express my appreciation when I believe it to be deserved. I appreciate deeply the approach which the minister and the government have taken in this case, seeking to end this dispute and to get the industry rolling again rather than to produce a punitive piece of legislation.

It is within this framework that I believe the minister has proposed, in 7(2)(b), to give the arbitrator what appear to me to be powers wider than are appropriate in the circumstances. I understand the point which is worrying the minister and everyone concerned. I know a little—not very much—about the workings of these ports. I know, for example, that they are busy in May and June, relatively slow in July and August and the early part of September, and become busy again in September, October and November. What has happened is that the failure to deal with any tonnage during what would normally have been the busy months of the year, May and June, has meant that no funds, or only a very small fund, is now available from which to discharge the guarantee of 40 hours per week and 37 weeks work per year for which, as I understand it, the job security plan under the collective agreement provides. I can well understand that it should be necessary to allow for a period of time, whatever that period may be, during which funds might be collected and placed in the kitty, before the job security plan becomes effective. For this reason I have no hesitation about accepting section 7(2)(a) which gives the arbitrator the right not only to fix the date but to make those modifications which are necessary in reference to the date of the application of the job security plan.

However, it seems to me, and I should like to hear the minister on this point, that it is a serious error to give the arbitrator authority, as is done in 7(2)(b), to make changes in the entire plan even beyond the year 1972. I am not thinking about the unions, now, because the unions are not affected. It is the pocketbooks of the union members that are affected and this provision opens the door to serious and valid objection on the part of union members. I must say, frankly, that if I were a longshoreman and a member of one of these unions I would be very much upset by the proposition advanced in this clause, even if I were the most reasonable longshoreman—and obviously, Mr. Chairman, if I were one I would be reasonable. That goes without question.

Mr. Lambert (Edmonton West): Don't flatter yourself.

Mr. Lewis: I would accept the proposal that the arbitrator be given the right to set a date in 1972 when the plan was to apply, but I would feel that my rights were really in danger if the arbitrator were also given the right to modify the plan, as is done in the paragraph to which I have referred. The paragraph reads:

> making such modifications to those plans and those provisions as in his opinion are required to give effect thereto on and after the date fixed by him.

The minister said yesterday, I gather, that these words were in some way confining. Perhaps I misunderstood him. I do not find them confining at all. The words are confined to the job security plan, but there is no limit placed on the modifications the arbitrator is empowered to make. There is apparently no limit on his authority to make changes in the plan. I ask the minister to give serious attention to this submission. I am prepared, if necessary, to move an amendment, but our proceedings have gone fairly fast this afternoon and I believe we have a few minutes in which to exchange views. I take the hon. gentleman back to his own statement, one which I not only accept but support, that he is not interested in anything punitive but only in getting these ports rolling.

• (1610)

I say that this paragraph contains an unjustifiable provision aimed not at the unions or something abstract, but at the livelihood of the longshoremen in the two remaining years of this agreement, 1973 and 1974. That kind of provision is provocative. I know the minister did not intend that, do not misunderstand me. I have the greatest respect for the very honourable way in which he has approached this problem, even though I had criticisms about the timing of his intervention. I know he does not intend to provoke them, but I tell him not only from logic but, if I may say so, from some conversations I have had that this clause is provocative and threatening to the longshoremen. I say it is not necessary.

As I said yesterday, the succeeding clause, Clause 8, gives the minister the authority to appoint an arbitrator to deal with any dispute that may arise. I am paraphrasing his statement. If it becomes necessary in January, February or March of 1973, because things develop in such a way the employer has not got enough funds to live up to the agreement and the unions say that he must, the minister would then have the opportunity to say to the unions and the company they must take this matter to arbitration. If they refuse to do so, then he would be able to do it.

I appreciate that I may be stretching the language a little because this arbitration clause may relate only to interpretation of the collective agreement. I am not at all sure the minister cannot bring things within that ambit if the occasion arises. In any case, I am not at all certain what I am saying about Clause 8 is entirely valid, and I freely admit that. I suggest to the minister that the width

of the powers given to the arbitrator in Clause 7 in respect of modifying the plan after 1972 is far too great, and will be provocative in the eyes of the persons to whom the minister is appealing. I join him in that appeal that they return to work, but I would very much appreciate, before attempting any amendment, to hear what the minister has to say about the point I have raised.

Mr. Brewin: Mr. Chairman, before the minister replies to the hon. member for York South I should like to add a word or two to what the hon. member has said. I think this legislation should be confined to as little interference with the normal collective bargaining process as possible. I understand that the matter of the job security plan, so far as it affects the years 1973 and 1974, was not in dispute during this whole period. It was assumed that the agreement, as it related to those years, was to be carried out and no one was raising that issue, yet this clause is broad enough in its terminology to unsettle that whole situation.

I just want to say to the minister that I hope he can yield on this point because I think it is very important, and would be consistent with the principles he announced, that this clause should be limited. It could be limited by saying that this is subject to the fact that the provisions of the agreement in regard to job security for 1973 and 1974 are not to be affected by this legislation.

Mr. Gleave: Mr. Chairman, I thank the minister for his courtesy. I support what the hon. member for York South has said for these reasons. It is generally agreed we are attempting what is a rather difficult thing, that is to bring the power and influence of Parliament to bear on an extremely difficult situation. I do not think we should ask those parties involved to modify the agreement they have reached any more than is absolutely necessary. I say that because of what is involved for us in the prairie part of Canada. Things have gone about as far as they can without completely stopping the movement of grain through our St. Lawrence ports.

I directed questions in the House on June 7, June 15, June 21 and June 29 to the minister responsible for the Wheat Board, and in one case to the Minister of Labour. I asked whether we were able to continue to move grain and the answer was that we were, in part. A news story of June 22 appeared under the heading "Small Ports Busy Shipping Grain". The article stated that Port Cartier, Baie Comeau and perhaps one or two other small ports with reserve facilities were continuing to move grain through the St. Lawrence and the lower part of the Seaway.

We know that lakers can come down to the terminals and, until such time as they are filled, the terminals can take the grain from the lakers. We have now reached the point where those facilities are being rapidly filled. Mr. Hurcomb, Manager of the Dominion Marine Association, has said publicly that this tieup is causing delays of up to six days in the movement of grain. This is the point we have now reached.

I made several phone calls the other day which led me to the almost inescapable conclusion that if this tieup continues we will see an end to the movement of grain through that route. I hope the minister will accede to this suggestion and limit the scope of arbitration to that area which is absolutely essential, with the hope that the parties to the dispute will obey the directions of this House and put this very important trade channel back into operation.

Mr. O'Connell: Mr. Chairman, I first want to say that I am in full accord, as the government is, with the desire to circumscribe the modifying powers of the arbitrator as they relate to the job security plan which is part of the collective agreement. This is an unusual power to confer upon an arbitrator, that is the power to modify the terms of a collective agreement. As I said yesterday, and as all of us realize, the normal functions of an arbitrator, within the framework of a collective agreement, is to interpret not to modify.

We are in an unusual circumstance where a very special job security plan is incorporated in an arrangement under the collective agreement, and the job security plan stands as an obstacle to the return to work. So, we need a mechanism for adjusting the job security plan within a circumscribed framework. We do not wish the arbitrator's authority to go one inch beyond that which is required. I believe we are all in accord on this. I was pleased to hear the representations along this line. In the first instance, the power to modify is confined to the job security plan and such related matters as are inextricably bound up with it. That is the first circumscription.

• (1620)

Mr. McCleave: Mr. Chairman, may I ask the minister a question?

Mr. O'Connell: Yes.

Mr. McCleave: Since the minister is striving for the same formula as everybody else, why not insert in (b) the words "making such incidental modifications" so that he would be tied down. Two lines down, he is given an option according to opinion. Accordingly this option is a circumscription, but I think if the word "incidental" were inserted it would fasten it down.

Mr. O'Connell: I am not sure whether the hon. member means the word "incidental" to refer to minor or incidental modifications in the job security plan. If it is the latter, I think it is abundantly clear that such modifications in fact are only those which relate to the job security plan. I think that is abundantly clear.

Mr. Lewis: I have no doubt about that.

Mr. O'Connell: I do not see any doubt arising. The other point I should like to come to is that the authority of the arbitrator is to make a judgment at some point in time. Let us say sometime in the future or in the fall, for the sake of argument, he will make that judgment. At that time, he will fix a date. At that time also, he will be considering the modifications which in his judgment are required, and only those modifications as are required to give effect to the job security plan in the altered circumstances that the work stoppage has brought about. I believe the hon. member for York South would agree with me that the arbitrator has that single opportunity. It is not a recurring opportunity to make awards with regard to the job security plan down through 1972, 1973 and 1974.

The arbitrator has an obligation under this legislation to consider all the facts and make his award at a given point in time when he feels he is in possession of sufficient facts to know how the job security plan, particularly the funding operation, is working in view of the operations of the port. At that point, he will make his judgment in respect of any modification he deems necessary. I do not know whether there is any doubt in the mind of anyone concerning whether that is his point in time.

Again on the third point, it seems to me inappropriate to state now in this bill that when the arbitrator comes to making those modifications, being in possession of facts which we are not in possession of now, and having behind him some experience concerning the operations as they resume, he should be confined to December 31, 1972 in respect of those modifications. It might be his opinion that this delay ought to continue until March, April or the end of the first year of the agreement, or something else. He might find in his judgment, looking at the facts, that the putting of a date in the bill would be an obstacle to his making the job security provisions the viable instrument they are intended to be under the collective agreement. That is the reason we have not thought it appropriate to specify a date such as the end of this year.

I think I would be on good ground in going on to say—and I do not want to presume upon the role of the arbitrator—that in all likelihood any modification he is likely to deem necessary should, in fact, not be prolonged beyond the end of the year. The funding arrangements, as I understand them, are on an annual basis, but be that as it may, he is the one in possession of the facts and it is his judgment. I would not want these latter remarks I have just concluded to enter into his judgment when the time comes. I do say that as we stand here today expecting the ports to resume their operations, knowing that a busy season is still in front of the ports of Montreal, Quebec and Trois-Rivières, it would be our hope that modifications would be as limited as they can be in time. I think that is what the hon. member for York South is really getting at. The duration of the modifications should be as limited as feasible.

I think in this matter we are entitled to have some confidence in the judicious decisions of the arbitrator as named in the agreement. He has a thorough understanding of the operations of the port, a thorough understanding of the collective agreements and a thorough understanding of the intentions of the parties, having been their permanent arbitrator for a number of years. He has also been the chairman of the conciliation board which assisted in the production of this particular agreement. He knows the history of the port and is familiar with its operations. In addition, he knows the parties concerned. In view of all this, I think we can have confidence in the judgment he would render and in his ability to make a judicious decision.

There is one further point in respect of the possible bearing on clause 7 of clause 8. The hon. member for York South raised the possibility that the minister, if neither of the two parties took action, might under clause 8 put into operation a regulation which would involve the possibility of modifying the job security plan at some future time after the arbitrator had made the ruling which we expect him to make under this legislation. I cannot read into clause 8 any such possibility. I doubt that the words can be stretched to mean that. That clause is there to cope with the normal exercise of an arbitrator's role under the collective agreement as it continues down to its termination three years hence—that is to say, the interpretation of matters which arise, and the settlement in a final way of disagreements which arise over alleged violations, and so on. It would not, in my view, extend the arbitrator's power to modify the agreement in any way but only to continue to interpret it. The experience we have had up until now is that at one stage neither party was willing to initiate this arbitration procedure. In light of that experience, this clause would give the minister the extra leverage of initiating a normal type of arbitration proceeding if once again neither party appeared willing to so initiate. I would not expect that circumstance to arise, but it did seem wise to incorporate clause 8 in the event that it might arise.

[Mr. O'Connell.]

• (1630)

Mr. Alexander: Mr. Chairman, I wanted to follow up one matter. I know that I was criticized, and perhaps taken to task yesterday, regarding the date that had been set by the deputy minister in this matter, namely October 16, and I do not intend to pursue that. However, I notice that the minister continues to refer to the expertise of the arbitrator who would know what the circumstances are and therefore would set the proper date. I am wondering what is the background of the October 16 date because, as I understand it, tonnage is the basis upon which this fund is collected in trust. I wonder how long, in the minister's estimation, the port will be in a position to maintain a healthy fund. Perhaps I am wrong in my assessment but, as I understand it, the port of Montreal is now practically inactive. If the contributions to this fund are going to be based on tonnage, and not much tonnage is moving in or out—the tonnage is moving to Saint John, Halifax or even Hamilton—

Mr. Lambert (Edmonton West): And New York and Boston.

Mr. Alexander: —I wonder how long he thinks it would take before the ports are operating to such an extent that the job security provision under clause 15 could come into effect. If he has any information in this regard, I would certainly appreciate it.

Mr. O'Connell: Mr. Chairman, it is quite impossible for me as the Minister of Labour, and I would say for any of us in the House, to anticipate a date on which that fortunate event would come about. That is why we have to put a person in a position to hear the representations from the parties, who can take a period of time to look into these questions which have become highly technical questions. I could not make that estimate.

What may be in the mind of the hon. member for Hamilton West is the date of October 15 which was suggested by the mediators when they were attempting to resolve the dispute without the kind of action through which we are now going. The date of October 15 has no status beyond the fact that it was suggested after four days of discussion, at which time it seemed reasonable to the mediators to propose to the parties that they might find October 15 a

reasonable date on which to resume the job security plan. One of the parties accepted it as a contribution to getting the port open, while no doubt running certain risks in so doing. The three locals accepted it or rejected it in varying degrees, and in each case with a condition. However, October 15 in the case of Montreal and September 17 in the case of the other two ports, were the best estimates of the mediators, not as a judicious date but as one on which they might get agreement. That is all the status it has and it should not loom in our minds as having any more status than, "a best effort basis" to get it going without an arbitrator's ruling. When the arbitrator comes to make his ruling, he will look at all the facts which are available at that time. It may be any date. We hope it is early for everyone's sake, but that is a judgment that only he can render.

Mr. Lewis: Mr. Chairman, I wish with all my heart that I could accept the minister's position, but I cannot. I think he has been in this dispute long enough to learn about longshoring perhaps more than I know, but I know enough about it to know that for many years this particular occupation was so uncertain, the job security was so lacking, that for many decades it attracted the transient type of worker who was available on the docks for a month and then disappeared. Someone else might be available for a week or for a season, and then disappear.

Not so many years ago the turnover of workers in the longshoring occupation was so high that every stevedoring company I met during some years of association with this industry would even then—and that was in the middle and late 1950's—complain about the fact that they could not have a secure and steady work force that knew what was happening, that was committed to the job and had loyalty to the work and to the employer. For all the years that I have known the situation, longshoremen have been fighting like hell—if you will permit me to speak plain English—to obtain some kind of job security in their work. As many of them said to me when I was associated with them in Hamilton and Toronto, they wanted job security so that those of them who wanted to do so could make the occupation of stevedoring a lifelong occupation, which they could not do if they could not be sure of having more than so many weeks of work a year. At that time the employer had the right to say whom he would or would not call, and how many days or weeks of work there were during which a longshoreman would be employed.

So, they have fought very hard for years, and this particular problem in Montreal is not the first one that has arisen out of job security arguments. Finally, they arrived at a collective agreement in April of this year which contains a job security program. What the minister is proposing in this legislation is that the whole of the job security program can be fiddled with by the arbitrator, every aspect of it, and the job security program is at the basis of the whole problem. The minister says—I am sure with utmost honesty—that this clause confines the arbitrator's powers solely to the area of the job security plan. Of course it does, but it happens to be at the heart of the matter. Giving someone an opportunity to pierce your heart, and limiting him to doing only that, will not help the minister's life. A pierced heart is enough to do all the damage that he could possibly tolerate, and the job security program is at the heart of this collective agreement, at the heart of the relationship between the longshoremen and their employers in these ports, as it is in other ports. Therefore, what the minister is suggesting and insisting upon is that the arbitrator have the authority to change any aspect of the plan. There is nothing in the clause which prevents him from saying that instead of a guaranteed 40 hours a week it should be 35 hours a week. Instead of guaranteeing 37 weeks, he could guarantee only 30. He could do that with the powers given to him in this clause.

• (1640)

The minister says he has confidence the arbitrator will do the right thing. I am not throwing any doubt on that confidence. I do not know who the arbitrator will be. Unfortunately I suspect, although I hope I am wrong, that the fact this blessed hassle has gone on, and that Judge Gold has already been used and brought down an award that the unions have rejected, will mean the creation of a difficult situation. I understand that Judge Gold, whom I do not know, whom I have never had the pleasure of meeting or appearing before, is a really great chap who knows this area, knows the port and stevedoring operations, has a great deal of integrity, and a real concern for the situation, just as we have in this chamber. But that will not solve the problem. When you say to a worker or any ordinary person, "You can rely on this man," that does not satisfy him. You could not persuade me, if I were a longshoreman, that I need not worry about the fact that the arbitrator will have all the power necessary to break the basis of my job security. Even if you say to me, "Don't worry, he is a good guy; he is only going to amputate one of your legs not both your legs," I will still worry.

Yet this is the kind of thing the minister is placing before employees whom he is asking to go back to work. He is saying that the very basis of the collective agreement, the very basis of their livelihood, about which they thought they had some guarantee in the collective agreement, is now open to an arbitrator to destroy or to reduce to any extent he likes. I think the minister is unwise in doing that. I have the fullest confidence in his good intentions, but I do not have to remind him of a rather banal road that is paved with good intentions.

Let me make another suggestion to the minister. I am really doing my darndest to persuade him to do this, not only to protect the livelihood of the stevedores which I make no apology for trying to do, but also to make sure that the bill will have the best possible chance of doing the job he wants done. I hope he will take a few more minutes to think about limiting the arbitrator's power to modify just until the end of 1972, and give himself, as Minister of Labour, authority to modify the situation further if either side, management or union, ask him to do so because of complaints they have, or fears they have that the plan will not work. If he would consider some such approach, the workers could go back to work in the knowledge that their job security plan will not be interfered with beyond 1972, at least so far as the arbitrator is concerned. If the minister is worried about what might happen next year if there is not enough money in the fund, and I notice that according to the agreement a certain amount, $2½ million, has to be there for 1973-74, he should give himself the

power, on the application of either the employers or the union, to appoint an arbitrator to modify the plan further for 1973 if that becomes necessary.

I am not interested in taking credit for moving an amendment, but I suggest common sense should caution the minister to move year by year. The minister says that an arbitrator sitting in September or October will have the facts before him. He won't, Mr. Chairman. He will not know what the shipping situation will be next spring. From long experience, I assure the minister that the Maritime Employers Association will come before the arbitrator with graphs, facts and figures to show that next year is not going to be good year. They will attempt to show that the agreement they arrived at last April is too rich for their blood, and they will present facts and figures to project what will happen next year. It is that kind of argument which the union and the employees will resent.

The minister would be better off to retain this power to appoint an arbitrator again in 1973 if the association, or a member of it tells him, "I cannot carry out my job security arrangements; will you please appoint someone under the authority you have, so that I can present my case to him." It should not take the minister's advisers more than 15 minutes to draft such an amendment. I plead with him that it is unjust to go to the workers in Montreal, Trois-Rivières and Quebec City and tell them, "Go back to work; I have given an arbitrator total authority to fiddle with the entire job security plan that you adopted last April." There is great danger in that approach.

Mr. O'Connell: Once again I appreciate the line of argument advanced by the hon. member for York South. I accept the fact that he has been concerned with the situation on the docks for a number of years. I am sure he would accept the fact, in return, that no one has been more concerned with constructive relations on those docks than the Department of Labour over the past several years, and during the term of office of my immediate predecessor very significant improvements in working conditions were brought about by his personal intervention.

Mr. Lewis: I fully agree.

Mr. O'Connell: Two officers of the department have been constantly available in a mediation process. Over the past two years they drew the two parties together to conclude this remarkable collective agreement, the heart of which is the job security plan, perhaps unmatched in any other port in the world. So, we have a united interest in doing the right thing at this particular point in time.

• (1650)

Now we come to the substance of the remarks. If I understand correctly, it has been suggested as an alternative that the Minister of Labour, through some additional provision in this bill, be granted the authority to appoint an arbitrator from time to time during the course of the collective agreement when one party or the other—the hon. member suggested possibly the employer—will come to him saying that they are unable to live up to the requirements of the job security plan because of financial embarrassment. I tried to consider that in the short time available to me, but it is apparent that in this case the pleading would be made in front of the minister on the financial status perhaps—

Mr. Lewis: Oh, no!

Mr. O'Connell: —or other circumstances of the employers, and he would have to judge as to the merits in the case.

Mr. Lewis: No, no!

Mr. O'Connell: If he felt that the party appealing was justified, then he would appoint an arbitrator, the intention being to modify a collective agreement. I would consider that a very serious step, and I would not want to be in the position of hearing pleadings from one party or the other with respect to possible modifications of the agreement. I think it would build into the future the kind of insecurity that would be quite contrary to our best interests and the best interests of those parties. I think it would lead to greater insecurity.

In my view, the object we want, and which I think we will obtain through the present provisions is to have a judgment made. If we think about the position in which the arbitrator is going to find himself at times, it will be obvious that he will hear evidence which is a little overstated here and there. He will have to look at the facts and the past record, and consider that we will be going to a computer dispatch system in periods of greater productivity. He will have all the facts in front of him, but he will be unable to see down to 1974, yet he is going to make a judgment with the best perspective that he has. As I say, I do not want to get into the most delicate area of putting myself in the position of an arbitrator at this point, but I think it would be reasonable to assume that he would extend the time only so far as he felt was required to get the job security plan back on the rails and would introduce modifications only to the extent required. That is explicitly set out in the act. The circumstances are undoubtedly not such that this whole plan could be completely wiped out or drastic changes made in it. As I would read the situation, he is going to make a judgment that extends to the most limited time horizon possible, and the modifications will be circumscribed to only those required to make a viable job security fund.

I am, therefore, unable to accept the argument of the hon. member for York South, persuasive as he always is. I think the merits of the situation lead me to ask the House to maintain the position that is set forth in clause 7 as it is presently constituted.

Mr. McCleave: Mr. Chairman, I wonder if the minister, over the supper hour, would look at what I think might be an anomaly between the legislation and the collective agreement. My specific reference is to the job security section under clause 15.08 of the collective agreement which reads:

> Any disagreement which may arise from the use of the moneys mentioned in clause 15.06, will constitute a grievance liable to arbitration as per article 5 of the present collective agreement.

It seems to me that we might get into a situation of double arbitration under the agreement that is reached by the management and by the union. As everybody knows, the grievance procedure that they have decided upon uses

a panel of four of whom one is to be chosen, and Mr. Gold is the one prefered. If they went on to choose somebody else as the arbitrator to carry out the purpose of clause 7, and some shift were made which one or the other side regarded as objectionable, then they might come back at the minister under the subsection of the collective agreement which I have just quoted and ask that a second arbitrator be appointed. This would place the whole plan for industrial peace in some jeopardy. It may be that my point has nothing to it, but I think it should at least be considered.

Mr. O'Connell: Mr. Chairman, my understanding of the situation would be that clauses 15.06 and 15.08, as quoted by the hon. member for Halifax-East Hants, are in fact suspended by the passage of this bill until the arbitrator fixes a time for their reinstatement. That would remove the potential conflict to which he drew our attention.

Mr. McCleave: Mr. Chairman, I quite realize the power of what I would call arbitrator No. 1, but once the provisions of the agreement go into effect, is it not at that point that either of these parties who feel aggrieved may ask for the arbitration that is set forth in that particular clause which I read into the record.

Mr. O'Connell: Mr. Chairman, I am at a bit of a loss to see the problem. Once those clauses are reinstated and a grievance arises, it would be carried to the arbitrator named in the agreement. The collective agreement would then be back in force, and the normal arbitration proceedings would be available.

Mr. Lewis: I am sorry to be badgering both the minister and the members of the committee, Mr. Chairman. Let me say, first of all, that the minister and his advisers certainly misunderstood me when they thought my suggestion that he give himself power to appoint an arbitrator at any time, next year or the year after, meant that he would have to make a decision on whether there was a case for appointing an arbitrator. I did not intend that, and I am not going to make a long speech because obviously if the minister does not agree, that is the end of it. I intended that such provision would be automatic. When one of the parties requested him to appoint an arbitrator he would do so, and the case would be in the hands of the arbitrator rather than in the hands of the minister.

Mr. Chairman, I just cannot buy the minister's reaction of equanimity to this proposition. He says that the arbitrator will make those modifications that are needed, and only to the extent required. I say to the minister those are just words. All the time that I am arguing here, figuratively I am sitting in the hall where the longshoremen meet in Montreal. As a longshoreman, when this bill is read to me and when the minister or somebody else tells me that the arbitrator is going to do it only to the extent required, I ask myself and I ask him what in Heaven's name is the extent required? He cannot satisfy me by using those general, syrupy words. What is involved is not something abstract. What is involved is my job security next year. What is involved is the question of whether or not I will get paid 40 hours a week for 37 weeks in 1973, and 40 hours a week for 37 weeks in 1974. That is what is involved for me, as a longshoreman, not some abstract query. When you say to me I should accept this law, I will, as a law abiding citizen, accept it; but, let me tell you, I am good and mad because you are giving this arbitrator this kind of power. Do not come back to me again; I am not going to listen to you, because you are selling me down the river. It may be that you are right, and the arbitrator will do me justice; but you cannot guarantee that. I do not know how much he will listen to my employer or how much he will listen to me.

• (1700)

These are practical considerations which anybody who has been in any way involved with the ranks of the working people knows enter the heads of working people. This, after all, is important to the worker's life, to his future and to the future of his family next year and the year after. You cannot persuade me that this arbitrator needs any more power than to set a date and to make modifications for the year 1972. And, if I am an objective longshoreman, I will have to admit that my being out on strike for eight weeks has destroyed the job security plan for this year.

I do not suppose I am getting anywhere with the minister, Mr. Chairman. Let me say this to him, as if I were speaking still as a member of the work force: Last April my union made a collective agreement with management for that job security plan. Last year management did not know exactly where the money was to come from; they do not know where it is to come from this year, let alone next year. Why are you giving anybody the authority to deny me any part of the job security plan in 1973?

Mr. O'Connell: Mr. Chairman, would the hon. member permit a question?

Mr. Lewis: Certainly.

Mr. Deachman: On a point of order, Mr. Chairman, there have been some discussions and I think there is some disposition to continue debate on the present bill and, for the moment, to delay private members' hour.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, the statement just made by the government whip is correct, so far as we are concerned. We would agree to your not seeing the clock at this time. If we were to finish consideration of Bill C-230 before the hour is up, the hon. member for Vancouver-Kingsway (Mrs. MacInnis) would like to use the remainder of the hour for the consideration of the motion in her name.

The Assistant Deputy Chairman: Is this agreed?

Mr. Hellyer: No, Mr. Chairman. I think some of the questions that have been raised this afternoon are of such importance that I think we should look at them during the dinner hour. There is no difficulty, so far as I can foresee, in giving the bill third reading tonight and sending it to the Senate. I respectfully suggest that we carry on with private members' business.

The Assistant Deputy Chairman: There is not unanimous consent.

Mr. Lewis: Mr. Chairman, I rise on a point of order. I think it ought to be noted in *Hansard* and in the press that

the hon. member for Trinity who now sits all by his lonesome self in the corner, is the person responsible for this committee's not being able to carry on its work at this time. That responsibility does not rest on anybody else in any part of this House.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. This might be an opportune time to indicate to hon. members the questions that are to be debated this evening at the time of adjournment. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Assiniboia (Mr. Knight)—Transport—Leasing of United States boxcars to move grain—Purchase of additional hopper cars by railways; the hon. member for Compton (Mr. Latulippe)—Regional Economic Expansion—Request for designating Sherbrooke as "special area"; the hon. member for Regina East (Mr. Burton)—Consumer Affairs—Alleged delay by automobile manufacturers in recalling cars with defective parts until warranties have expired.

It being after five o'clock, this House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions, private bills and public bills.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

AGRICULTURE

REQUEST FOR COPY OF REPORT ON UNITED STATES INTERNAL FOOD-AID PROGRAM

Mrs. Grace MacInnis (Vancouver-Kingsway) moved:

That an Order of the House do issue for a copy of the report undertaken in the Department of Agriculture on the United States Internal Food-Aid Program and its application to Canada.

She said: Mr. Speaker, as my party's House leader suggested, I would have been perfectly happy, in view of the serious nature of the legislation before the House this afternoon, to forgo my opportunity to participate in private members' hour. I am sorry, for my part, that in these circumstances we are proceeding with private members' hour. However, that is what the House has decided, and we must go along with that decision.

My notice of motion for the production of papers refers to something I have wanted to obtain for some time, a copy of the report or study undertaken in the Department of Agriculture with regard to the United States internal food-aid program and its application to Canada. A number of similar requests have been made and refused. I made a request last week which was refused. I suppose

[Mr. Lewis.]

the government, in its own mind, can make a case for not releasing documents which might cause trouble for members of the government or others if they were released. However, I cannot for the life of me see that there could be any such objection to this report being released. Certainly, it has nothing to do with internal security. I cannot see how it could affect our relations with the United States.

The documents in question merely have to do with the reaction of the Canadian Department of Agriculture to the internal food-aid program of the United States. I think our great neighbour to the south may be flattered to learn that we are looking at what it is doing in supplementing the diet of low income people. I cannot understand why this report should not be made available to us, unless of course, the government does not like the nature of the report that officials of the Department of Agriculture have made. It may well be the report indicates that a government program ought to be set up for distributing food to low income groups in this country who, because of their poverty, are genuinely undernourished. It may be that there are things in the report the government did not wish to make public, in view of possible public reaction. Frankly, I do not see how anybody's nose could be put out of joint if the report were made available to us. It would not hurt the officials concerned or the government.

There is another possible reason behind the refusal. Possibly this report is not being released because of this government's deplorable tendency to secrecy. It wants to hide all such reports which have been compiled simply because taxpayers' money was available for compiling them. The taxpayers of this country have spent much money on studies, on committee reports, reports of commissions, and all the rest of it. When the government gets these reports, either because it is not inclined to do anything about them or because it is afraid of the reaction of the public if the facts were made known and the government did not act on them or because it is arrogant to the point that it wants to keep these reports as its private property, it refuses to allow the public to get the facts. This is a completely indefensible attitude. This government sits on these reports so long that, after a while there are leaks from one place or another, whether natural or inspired I do not know, and this indicates that the policy does not sit well with the public.

• (1710)

I want to emphasize that the taxpayers have a right to see the results of this report. We, the representatives of the people, also have a right to see the report. Just this afternoon, questions were asked about a report on housing. This whole field badly needs attention. The government has had a whole flock of reports on this situation. We know that the translations of many of them have been prepared. By what right does the government hold these and keep them under wraps? It is simply because they have more members and a greater club. That is wrong. If we cannot do anything else in this House except get rid of the secrecy surrounding the production of reports which are paid for by the taxpayers of this country, we will have done something good. Why do we have Information Canada? Information Canada releases only things which the government wants released. They stand solid and do

not yield anything that the taxpayers should have in order that their elected representatives can make judgments.

I now come to the report. The worst of it is that we do not know what is in it and we have no means of telling. We do know that the Department of Agriculture has made a study of the United States internal food-aid program and its application to Canada, but we have no evidence as to what is in the report. The United States has made efforts to get food to low income groups by the food stamp plan and other plans. This government has not lifted one finger to get food to the low income groups who need it. If the government has made a study of the United States internal food program, it would be highly desirable for the public to know what our great neighbour to the south has been doing and what the officials of the Department of Agriculture think about it.

I wish to quote from an article in the June 15 edition of the *Globe and Mail*:

—the U.S. Department of Agriculture has thousands of "nutrition aides" who give basic nutritional advice to mothers; it prints and distributes literature on the subject; a few school systems and universities provide some training in nutrition. But most do nothing. And nowhere, to my knowledge, is there a co-ordinated approach to teaching the subject of nutrition.

The United States has not gone too far in that direction, but it has at least reached the stage of having thousands of nutrition aides. What is a nutrition aide? Presumably it is a young person, not a college graduate, but one who can grasp the basic essentials of nutrition and can indicate where literature, officers and information can be found. If this government was looking at ways and means of providing jobs for young people, it could hire nutrition aides. We have nurses aides and teaching aides. Hopefully, if there is another government in power, we will one day have day care centre aids. This government does not have the stamina or willpower to open these. The United States has at least created the position of nutrition aide.

We know that Canada's low income groups need help in getting a proper diet. Let no one tell me that there is poor nutrition in all groups. I know that. However, the difference between poor nutrition in upper income and low income families is very great. Those in the upper income groups can read and study what is nutritionally advisable if they wish. No matter how those in the low income group study and read, they cannot have a better diet because they do not have the financial resources.

At the risk of boring some members, and I find some are easily bored when it comes to problems affecting the family in this country, I want to refer to a very important editorial that appeared in a recent edition of the *Globe and Mail*. This is an article about a remarkable woman, Agnes Higgins, the director of the Montreal Diet Dispensary. For years she has been conducting research into diet deficiencies in low income groups who require social assistance. I and other members in this House have been quoting the findings of Mrs. Higgins for a long time. Mrs. Higgins has now made an important study about the nutritional needs of Canadians. I will not go over all the knowledge on which this is based, but this report of Mrs. Higgins and her colleagues on their Montreal experiment was one of five nutrition papers chosen for presentation to the International Congress of Endocrinology in Washington. That is what the world thinks of Mrs. Higgins, even though Canadians have not been fortunate enough to know her studies exist because of the failure of this government to inform them. I quote:

Mrs. Higgins based her work on the research of others which had proved, among other things: that it was risky to the baby to try to keep the mother's weight during pregnancy fashionably down; that mothers who were well nourished during the last 15 weeks of their pregnancies produced bigger babies; that bigger babies (7 to 8½ pounds are considered the best weights) tend to have more brain cells than smaller babies; that small babies have drastically increased rates of stillbirths, deaths in the first weeks and months of life, cerebral palsy, mental retardation and lowered intelligence.

Functioning from this knowledge Mrs. Higgins and her colleagues went to work on some of the most deprived mothers in Canada, women from two public clinics in poverty-stricken areas of Montreal.

Between 1963 and 1971 their study group included 1,725 mothers. Of these, 1,055 had five years of education or less, 1,164 were so poor that they were entitled to food supplements, 515 of the pregnancies were illegitimate. Not a promising group, one would have thought; yet only 5 per cent dropped out of the course.

On her first visit to the clinic each mother was assessed on the basis of income and diet. If her income was large enough, she was told what she should eat and given a standard mineral and vitamin supplement.

If her income was too small—and the incomes of 67 per cent of the mothers were too small—she was given food supplements of milk, eggs, oranges and the standard minerals and vitamins. Her needs were carefully calculated to take into consideration underweight, protein deficiency, shortage of calories and special conditions of stress.

All mothers were visited at least once in their homes.

• (1720)

They received the same medical attention.

The average birthweight for these babies was the same as for babies born to private patients at these hospitals. The record with respect to premature births and early death was as good as that for private patients, and significantly better than for other public clinic cases who had not had the diet treatment, and significantly better than the Canadian average.

Now, I come to the part which I hope will touch the cockles of the hearts of even the hardened people who make all their judgments on the basis of how much it costs or how little it costs or how much they can get away with.

A single family can perhaps most graphically paint the picture. A 29-year-old mother had borne 11 children. The first eight were born without diet assistance, and all had small birth weights. One died at the age of one month. For her last three pregnancies the mother had diet assistance, and these three babies all weighed within the ideal range.

A physical and mental assessment of all the children was done at Montreal Children's Hospital. The last three children were found to be normal. All of the others were found to be disadvantaged and likely to require support off and on through life.

Now, I get to the nub of the thing.

It cost the public $125 to give the mother diet assistance, including the free milk, oranges, eggs and vitamins, for each of her normal babies. The cost to the public of maintaining a defective child throughout life in an institution or in the community is more than $100,000.

So, there you have it in terms of actual cost—$125 to produce a healthy baby and $100,000 to keep a defective child in an institution for life. It would pay us a thousand times over in dollars and cents to apply Mrs. Higgins' good sense and compassion whenever circumstances call

for it. This is why I want that report. I want to see whether there is anything in it which would supply further evidence of the need to supplement the diets of poor people, people living on social assistance and low incomes. It is no use saying we should wait until the results of the nutrition survey are known. The report will not be completed until this fall, and the best we can hope for is that it will be available next spring. Next spring we shall be told we cannot have it because hon. members on the other side are sitting on it. Why wait for spring? Do it now! Let us begin right away to learn all we can from what our neighbours in the United States have done. Let us get ahead on the basis of what we can learn; let us get going right away and supplement the diets of the people in this country who most need assistance.

[*Translation*]

Mr. Léopold Corriveau (Frontenac): Mr. Speaker, I would like to thank the hon. member for Vancouver-Kingsway (Mrs. MacInnis) for her work in explaining to us the situation and also for giving us the opportunity of talking about the feeding habits in Canada.

Some may have bad eating habits, even if they have a rather high income. It is not the income of a person which gives him good eating habits, but mainly the way the mother buys the foods and prepares them for the family.

In my capacity of chairman of school boards for many years, I had the opportunity of surveying the eating habits of large families, particularly children attending school, and I am convinced that Canada is a rich country from the standpoint of foodstuffs; we are mainly producers able to supply adequate food to Canadians.

One can spend $50 a week feeding a family of four or five children and even then not eat properly. Indeed, one can buy all sorts of things like hot dogs, as was pointed out earlier, and live on hamburgers just as well as abundant farm products.

Undernourishment should be studied because in Canada, as I said before, people suffer from it, not for lack of money but for lack of selecting the proper foods to be eaten. I have studied some family budgets. In fact, after a discussion with a housewife who told me, to my astonishment, that she fed her five children and her husband on $50 a week, my first reaction was to wonder if my wife managed my budget properly because I know how much it costs to feed my family.

Evidently, when we have the means to buy products of the highest quality or some luxury goods, we can spend more for food, but it does not necessarily mean that we are better fed. If we closely consider the problem, we realize, for example, that we have not yet reached the point where it is urgent to carry out the American program in Canada.

If on the other hand it has been deemed necessary to study what was going on in the neighbouring countries to determine whether the food aid programs were better than ours, we necessarily had to turn toward the United States to get information on food.

Apparently, under a certain program, the people can buy food in groceries with coupons. Customers cannot exchange these vouchers for money because this is forbidden. If it should happen that the value of their vouchers exceed the value of their purchases, the retailer would be required to deliver some kind of receipt that they could use again.

The system, which was established by legislation passed in the United States in 1964 and amended on a few occasions, and particularly in January 1971, costs the American Treasury $2 billion and perhaps today more than $3 billion.

Of course, when you distribute the cost among 200 million citizens, you do not reach a fantastic sum per capita, but when you want to apply this system in this country, you have to multiply this figure by 10. We then find out that for a food program similar to the American effort we would have to spend more than $250 million. Therefore, if the federal government had to make such an amount available, over and above what it already pays through cost-sharing programs and other social measures, we see readily that astronomic amounts would burden the budget of assistance to underprivileged persons.

It must be realized that Canadians engaged in food production far outnumber those in the United States. We must also realize that the American economy can support measures that we could not add to those already in force. Their effects on the sales of food must also be assessed. What would happen if the people that we are now assisting through social measures benefited from increased assistance under a coupon distribution program?

• (1730)

These are effects that we should consider because of their short, middle and long term bearing. However, I am interested in one aspect of the American program: in Canada we grant direct benefits to the needy through social measures. Considering their skills I sometimes wonder if they properly use the money given to them.

Would a coupon system or something else which would compel them to allot part of their budget to food not be preferable to the present system? It is a question which deserves consideration and further study. We are not now in a position to take such a quick decision on a program which could entail large federal expenditures.

Mr. Speaker, there is another point that should perhaps be considered. Some may think it is rather sophisticated, but a family food-aid program might be conducive to serious abuses. Very often, when money is not available in some families, the coupons distributed under all kinds of forms could be exchanged for money which could be applied to other purposes.

In Canada and in the United States there are quantities of foods rich in protein, such as eggs, poultry, etc. For the last twenty years, the price of these foods have declined sharply. Low income families consume much of these foods. One cannot say that in Canada it is impossible to find protein-rich foods at reasonable prices.

Mr. Speaker, I would now like to talk about another aspect. I would like first to indicate that I am not at all opposed, to having now and in the future as many studies and surveys as possible on our national diet. We will have to deal with this problem sometime, hopefully with a great deal of care and attention. I am convinced that there might be a distribution of food in Canada. However, the

main problem remains the economic situation of producers. In cases of overproduction, producers are seldom in a position to break even. Insofar as producers are concerned, the distribution of surplus foods products in the homes will not actually resolve economic problems. Surpluses are shipped to another area. A tremendous effort could be made so that producers may be in a better situation and that they may earn at least a decent living which will enable them through taxes to contribute to other programs intended for poor or low income people.

We must export our food surplus. I would be remiss in my duty if I did not comment on the assistance which Canada is extending to developing countries. We are still not doing all we could and should in this field.

I do not think Mr. Speaker, that French Canadians have to eat like the Americans and conduct surveys, in view of the fact that they are in a position to eat with the commodities at their disposal.

In fact, Mr. Speaker, there is no scarcity of food in Canada. We know that all food and agricultural areas in Canada are showing huge production surpluses. We know also that every farmer and industry which is involved in food production only wish to have more consumers buying their products.

[*English*]

Mr. Bill Knight (Assiniboia): Mr. Speaker, may I begin by complimenting the hon. member who has just concluded his speech. I assume from the interest he has shown in this debate that he is in favour of the production of papers in respect of the internal food-aid program which for a number of years has been carried on in the United States. I wish, also, to compliment the hon. member for Vancouver-Kingsway (Mrs. MacInnis) for her excellent outline of some of the difficulties surrounding nutrition in the Canadian setting. I hesitated to take part in this debate because I have no experience of pregnancy; therefore I shall confine my remarks strictly to questions of food, food consumption and nutrition.

The hon. member on the other side of the House pointed out that a program such as that being carried on in the United States would cost $250 million to implement. That may well be so, but it would be extremely helpful if the representatives of the Canadian people could consider the information on the United States internal food-aid program and the views of our Department of Agriculture in respect thereto. Perhaps then we could come to a conclusion as to the cost and, what is far more important to us as representatives of Canadians, the benefits to Canadian citizens.

If the hon. member was speaking in terms of overproduction, let me point out that we who represent western constituencies face the problem of overproduction in terms of wheat. Like the farmers in Quebec who have overproduction in a certain area which I will not go into, nothing would make us happier than to have a program carried out by the Department of Agriculture to increase the number of consumers. If the figures the hon. member mentioned are correct, this would pour some $250 million into the agricultural sector of the economy and give our farmers a reasonable return on their production, as well as increased internal consumption.

As representatives of the agricultural sector of our economy, we are fundamentally interested in any kind of food program which would enhance the internal markets of Canada such as the program undertaken in the United States. If we could put $250 million into our agricultural sector, I would be most happy and excited about such a program. It would get the economy rolling in terms of putting money into the hands of western and eastern producers, to be followed by a flow of money into the hands of the industrial sector as a result of increased purchasing power.

In order to make decisions, we as Members of Parliament must be able to examine studies undertaken and documents relating to them. Many studies which have been made of the agricultural sector in relation to food and food consumption have been hidden in the offices of ministers; Members of Parliament have not been allowed to look at them. One such study was made for the small farms development consolidation program, papers in respect of which I have asked for in a motion for the production of papers that has been on the order paper for months. These papers have not been produced—yet members are asked to deal with legislation such as Bill C-5 in connection with agriculture.

• (1740)

Documents are sent to provincial governments and are looked at by federal civil servants. Members of Parliament and the Canadian people, however, are not allowed to examine such documents. If we wish to take another example in terms of the agricultural sector, the Department of Agriculture and the Wheat Board, we need only consider the whole question of national transportation and the policy drawn up, with the involvement of the Canada Grains Council, the Canadian Wheat Board, the railroads and the line elevator companies, which has been turned over to the provincial governments and which the minister in charge of the Wheat Board said last spring would be tabled in the House of Commons very soon. That transportation study has not yet been tabled in the House of Commons for consideration by Members of Parliament.

I can see great possibilities, in terms of business, in a Canadian internal food-aid program. Western producers, above all other groups, I suppose, in terms of grain, have faced great difficulties in certain years because of their dependence on the international market. A vast percentage of the grain and wheat sold from western Canada and, I suppose, a great percentage of eastern soft wheat, is sold on the international market. If an internal food-aid program would enhance the domestic market for farm produce, this would be a way in which western and eastern producers could see an improvement of their financial position and encouragement in their desire to remain on the land.

The hon. member for Vancouver-Kingsway did an excellent job in pointing out some of the difficulties in terms of proper nutrition and proper diet for child raising, and so on. I shall not go into that matter. I hope that when I resume my seat the question of producing this report for those of us who represent farmers, and for the hon. member for Vancouver-Kingsway and my friend across the way, members who have an interest in nutri-

tion as well as the income of producers, will be considered favourably.

I hope, also, that when I resume my seat, Mr. Speaker, you will either allow the question to come to a vote or there will be unanimous consent of the House that this document be produced. I rest my case on the good graces of government members.

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

[*Translation*]

Mr. Marcel Roy (Laval): Mr. Speaker, first I wish to thank the hon. member for Vancouver-Kingsway (Mrs. MacInnis) for introducing this motion. I have listened very carefully to her comments and more often than once, I was reminded of the days when I was a student in agricultural sciences at the University of Montreal attending nutrition courses.

I commend the hon. member for Vancouver-Kingsway for having drawn the House's attention to this ever important situation. I also wish to congratulate her for her work in various committees. I have seen her at work in the Health, Welfare and Social Affairs Committee where social problems were considered as well as problems related to packing and consumers' protection. It is my wish that after the forthcoming great event, the Liberal party will include several female members.

Having said this, I cannot however agree with the comments made by the hon. member for Vancouver-Kingsway in connection with the tabling of the documents mentioned in her notice of motion. I would invite the hon. member to read the reply given to her by the Parliamentary Secretary to the President of the Privy Council (Mr. Jerome) as recorded on page 1280 of our proceedings of November 18, 1970, and I quote:

> Mr. Speaker, on behalf of the Minister of Agriculture I may advise the hon. member that no formal report has ever been made by the Department of Agriculture on the United States internal food aid program and its application to Canada.

I suggest that this was not a report, but rather a draft study, and, as pointed out by the Parliamentary Secretary, various departments when it comes to drafting important legislation, usually consider pilot projects so as to determine the feasibility of any specific program.

I think hunger always raises problems, and no human being can remain insensitive to it. Therefore, I would not like the hon. member to think that members of this House are insensitive to the situation which she brought to our attention.

Now, as far as the report is concerned, there are several studies in the United States which deal precisely with the experiment with food distribution, and those studies are available to the public, providing the hon. member can ask for them.

[*English*]

At the present time the United States operates four major food-aid programs. The first is the commodity distribution program, the second is the national school lunch program, the third is the special milk program and the fourth is the food stamp program. All four programs are administered by Consumer Food Programs of the USDA Consumer and Marketing Service. The special milk program and the food stamp program are examples of food assistance programs which operate on a cash grant for local food purchases. Under the special milk program, federal cash grants are utilized to reduce the cost of milk to children in elementary and secondary schools.

The food stamp program, on the other hand, enables needy families to purchase food stamps which have a redeemable value greater than the purchase price. The difference between the purchase price and the redeemable value represents the federal cash contribution. Both of these programs are based on the assumption that if the food purchasing power of the recipient is increased, food consumption will also increase provided that provisions have been made to guard against substitution for regular food purchases.

[*Translation*]

To come back, Mr. Speaker, to the problems raised by the hon. member, I do not think we should compare this program with the situation which prevails in the United States and Canada, precisely because of differences in the social policies of those two countries. In Canada, we have a highly developed social policy, including a family allowances policy established for the benefit of school-aged children. If some provinces want to experiment with milk distribution in schools—and I think this problem has been raised on many occasions in Quebec—this comes under their own jurisdiction. If they want to distribute milk in schools, they are entirely free to do so.

The main issue raised by the hon. member for Frontenac (Mr. Corriveau) is that of budget administration. If a family lives on a weekly budget of $75 or $100, its well-being will indeed depend on the nutrition value of the products the housewife can buy. As underlined also by the hon. member for Vancouver-Kingsway, more information should be provided at the level of the Department of Consumer and Corporate Affairs and at the level of the various associations and citizens' committees. The caisses populaires are now doing excellent information work on the nutrition value of the farm products.

• (1750)

Considering their energy and protein value, farm products are available to the consumer at quite reasonable prices. According to an opinion often voiced by the producers, Canada is a "cheap country for food". If we consider prices paid in recent years, broilers sold at 18 cents a pound, eggs at 30 cents a dozen and pork at 24 cents a pound. These are certainly not exorbitant prices.

Our aim should indeed be to try to disseminate more information on nutrition through foodstuffs and especially on comparative prices for various beef cuts. While a student and working in a butcher's shop, I could see to what extent the housewife was poorly informed on meat; she bought some cuts priced at $1.50, whereas, considering equivalent nutrition value, she could have purchased others costing three times less. The question is rather that of educating the consumers on the nutrition value of foods, on the various meat cuts and on the price. I believe we should center our efforts in that area.

I shall refer the hon. member to several departmental publications which are designed to further inform consumers about the purchasing and unit price of various

consumer products. Some booklets are available at the Department of Consumer and Corporate Affairs, and there are a few excellent ones as well in the Department of Agriculture. Various agricultural television programs were produced with a view to assist the housewife, so that she may get at a fair price several agricultural products, such as poultry, milk, eggs, fruit or vegetable. If such was the case, we should only have reached part of the hon. member's objective.

I think, Mr. Speaker, that we should consider very carefully the whole thing, because, as I stated earlier, we, as human beings, cannot overlook the problem of hunger in the world.

The hon. member for Assiniboia (Mr. Knight) spoke about the grain production. I shall only refer to the assistance given by Canada to under developed countries. As far as international food-aid program is concerned, the contribution of Canada amounts to about $95 million. I suggest that we should increase this amount, but once more, we should do it according to our ability to pay.

This was an outline of the situation, and as I stated at the outset of my remarks, I cannot agree with the remarks made by the hon. member about the motion now before us, which reads as follows:

That an Order of the House do issue for a copy of the report undertaken in the Department of Agriculture on the United States Internal Food-Aid Program and its application to Canada.

It was rather a survey. I do not object that these compilations be used as a work paper by the ministry and its officials in order to eventually implement, if such implementation is deemed really important, a program similar to that which has been tried in the United States. To me, this was more of a survey than of a report.

Here again, Canada has played its part in the field of assistance provided to needy families. But I think that the situation is quite different from that which prevails in the United States. We have a social policy, a family allowance program directed to children, but I think that we should put great emphasis on information and popularization so that housewives would know not only the unit price of the food products they buy, but also their nutrition value and protein content.

[*English*]

Some hon. Members: Question.

[*Translation*]

Mr. Roy (Laval): Mr. Speaker, I think that this situation—

[*English*]

Mr. Speaker: Order, please. I regret to interrupt the hon. member, but the time appointed for private members' hour has expired.

It being six o'clock, I do now leave the chair.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

ST. LAWRENCE PORTS OPERATIONS BILL

MEASURE TO PROVIDE FOR RESUMPTION OF LONGSHORING AND RELATED OPERATIONS

The House resumed consideration in committee of Bill C-230, to provide for the resumption of the operation of the ports of Montreal, Trois-Rivières and Quebec—Mr. O'Connell—Mr. Boulanger in the chair.

The Assistant Deputy Chairman: Order. When the committee rose at five o'clock, clause 7 of the bill was under consideration.

On clause 7—*Postponement of job security plan.*

Mr. Lewis: Mr. Chairman, when we ended our discussion at five o'clock I had been trying to point out to the minister and to members of the committee the difficulties which in my opinion face the longshoremen in the powers which apparently the minister insists on giving to the arbitrator with regard to the job security plans now in the collective agreement.

I do not want to speak any longer because no purpose can be served by repeating the arguments. I merely say to the minister that management and the union agreed to the job security plans last April, before this year's shipping season started, and the longshoremen have the right that those provisions be retained in full next year. There is no reason why the abritrator should have the power to change those provisions so as to weaken the job security plans for the years 1973 and 1974. I have said all I could say. I had hoped the minister would agree to bring in a proposal to deal with this question, but since he has not I move the following amendment:

That clause 7 be amended by changing the period at the end of line 28 to a comma and by adding immediately thereafter the following words:

"provided that he does not make any modifications in the plans set out in the collective agreements as such plans apply to the years 1973 and 1974."

Mr. Orlikow: Mr. Chairman, I hope the minister will make a few comments on the proposal made by the hon. member for York South. I do not want to repeat the arguments which were made this afternoon when it was pointed out that the agreement worked out between the union and the employers provided a formula for job security for the years 1972, 1973 and 1974. Difficulties have arisen in implementing the plan for this year because several important months, in terms of work on the docks and therefore of payments into the fund from which the work guarantee would be provided, have gone by.

• (2010)

I cannot see why there should be any proposal by the employers or by the government that any person, be it the government, an employer or an arbitrator, should do anything to vary the agreement which has already been worked out and which was agreed to by both employers and employees in reference to the years 1973 and 1974.

Mr. Chairman, in recent months the people of Canada have heard a great deal about the supposed exorbitant, unreasonable demands made by various labour groups. I point out to the minister and to members of the committee that the guarantee which the longshoremen will get for employment and earnings is something like $167 a week for 37 weeks a year. My arithmetic shows that to be just over $6,000 a year. Montreal is the largest city in Canada and its cost of living is amongst the highest of any city in Canada. I suggest to the minister and members of this committee that a longshoreman or any other worker who has to live in the city of Montreal on just over $6,000 a year in 1973 or 1974 will not have a very affluent life.

Mr. Chairman, I simply cannot understand why the minister should now be proposing that an arbitrator might be able to reopen the agreement which has been reached, and to scale down what I consider to be a very modest income guarantee for any worker in the year 1973.

Mr. Alexander: Mr. Chairman, I want to add just a few comments. I have listened to my friend, the leader of the New Democratic Party, and I recall that he said that I fumed and fumigated for about half an hour trying to point out the value of the public interest and what that should mean not only to labour and management but to the public in general. It is in this area that we must accept our responsibility. It seems to me, however, that the leader of the New Democratic Party is attempting—I charge him with this and I hope we can still be friends, as he indicated to me earlier that he hoped I would be friends with him after he had berated me somewhat—to weaken this bill.

Surely we have now reached the stage where it is necessary that this bill be brought to Parliament, that that is our wish. Surely that was the last wish we had, but it seems to me that the very issue we are talking about, job security, is the one that has brought about deep confrontation between the two parties. They had a collective agreement and it was up to them to use the provisions therein to reach a rational conclusion that would be acceptable to all. In their confusion and frustration they failed to do this.

I am impressed with what the minister said, that what we need now is for the arbitrator to set the date on which the job security plan will take effect.

Mr. Orlikow: What year?

Mr. Alexander: Who knows how long? This is the problem. We just hope that in the circumstances, whoever is the arbitrator will decide on an early date; but once he sets that date I would refer the hon. member to the explanation that was given earlier by the minister, who said that once the arbitrator sets the date, at that time he would know all the circumstances and we would not have to worry about the year 1973. But perhaps the circumstances will not be completely known to him at the time he sets the date and he may need more time. That is the position the minister was trying to advance, and I buy that. We are trying to make this a meaningful bill in order to have industrial peace.

I know the leader of the New Democratic Party says that if we accept his amendment such a step will not have to be taken, but surely labour and management must understand now that we mean business.

Some hon. Members: Hear, hear!

Mr. Alexander: They have had the opportunity to play around for seven or eight weeks. I do not accept the weakening of what is a very weak bill in the first instance. I say, with all due respect to the leader of the New Democratic Party, that his theory is good but it is not practicable and it should not be accepted at this particular time. This is a bill which has been brought before Parliament, not for the benefit of labour, not for the benefit of management, but for the benefit of the people of Canada as a whole.

Some hon. Members: Hear, hear!

Mr. Alexander: As long as we keep that in mind I think we have to proceed. I know the bill is not the best: it is weak in certain areas; it has no sanctions but no penalties. For the penalties you have to refer to other legislation. But the bill as it stands should not be weakened. Accordingly, on behalf of my party I say that we will not vote for the amendment proposed by the New Democratic Party.

Some hon. Members: Question.

[*Translation*]

The Assistant Deputy Chairman: Is the Committee ready for the question on the amendment?

[*English*]

Mr. Hellyer: Mr. Chairman, before this amendment is put to the committee I wonder if the minister could tell us whether he has any estimate of the extent of the damage that has been caused by the strike. Does he have from his department, from the Department of Industry, Trade and Commerce, any agent of government or any independent source a projection of the consequences of the shutdown which has occurred in the last few weeks?

Mr. Benjamin: You tell us.

Mr. Hellyer: It is apparent, Mr. Chairman, that not only has there been a considerable disruption of shipping but there has been a serious loss of confidence in so far as the St. Lawrence ports are concerned, which has influenced shippers to a considerable extent. Before having to decide on this amendment I would be interested to know whether we have any assessment at all of what the long range consequences of this strike are likely to be, so that we may exercise our judgment on that basis.

Mr. O'Connell: Mr. Chairman, I regret to have to say that I think the hon. member for Trinity is drawing a red herring across our path at this time.

Some hon. Members: Hear, hear!

Mr. O'Connell: It is not for me to try to make an estimate in statistical or measurable terms of the extent of the damage occasioned by this strike. We all know that we are here to confirm and further the public interest in the settlement of the strike.

An hon. Member: Now you are catching on.

Mr. O'Connell: The strike has gone on too long. We know that the public interest is damaged not only because of the economic injuries that have resulted to these communities, ports and the country at large but also because the two parties have failed to find a way out of the impasse that they have created. That, too, is a matter of public interest.

Again I might point out that when the proper processes were used, that is when the services of the arbitrator named in the agreement were employed. He brought in his ruling and we were all in a position then to judge the legalities concerned. At that point the public interest was even more acutely engaged, when the parties found themselves in an impasse notwithstanding the ruling of the arbitrator and notwithstanding the damage that was accumulating as time passed. I do not think it would be appropriate at this time to make an estimation in economic terms of the damage. We should get on with the business of passing this bill and getting these ports into operation.

Mr. Lewis: Mr. Chairman, I did not intend to speak again because earlier I made all the arguments that I thought could be made in the proposition I put before the committee. However, I am forced to say a word or two because of what I can only describe as the demagogic remarks of the hon. member for Hamilton West.

• (2020)

I am as aware as he is that this bill is before us because of the public interest. He need not read me or any other member of this committee that kind of lecture. It may give some of his colleagues an opportunity to bang their desks but it does not touch on the subject at all. All I can say is that if the hon. member for Hamilton West is right, then we are really in for trouble and for real injustice. As I understood the hon. member for Hamilton West, he interpreted the minister as having argued that he wants this arbitrator to set the date, not in 1972 but well into 1973; that is when he should set the date.

Mr. Alexander: I did not say that.

Mr. Lewis: With respect, the hon. member for Hamilton West said just that.

An hon. Member: He said it may not be necessary to do that.

Mr. Lewis: I do not think the minister meant that. If he did, he had better think again before he places this bill before the people concerned. That would be the height of injustice to the working people in this area.

Some hon. Members: Oh, oh!

Mr. Lewis: The hon. member for Hamilton West says he wants a tough bill. Tough in what respect, Mr. Chairman? Does he want a bill tough enough to deprive the workers at the docks of the benefits of the job security plan, benefits which they negotiated last April, even in 1973 and 1974 when there will be no reason to expect trouble, when everyone hopes there will be no interruption of work? We hope that the accumulation of money necessary for the job security plan will take place in 1973, just as last April it was hoped and intended that that accumulation would take place in 1972. The only damage that has been done—and it is serious damage—is that occasioned by the eight-week strike which made it impossible for the money to be accumulated to meet the job security plan in 1972.

I do not oppose, but support the proposition in the bill which gives the arbitrator the right to set the new date when that plan will come into effect, so long as that date is in 1972 and so long as the people who are engaged in that hard work, in that unpleasant work which is not very creative, will get the benefit of their collective agreement in 1973 and 1974—unless, of course, they again indulge in the kind of irresponsible action they indulged in this year.

That is what I am pleading for, that is what the minister should do and that is what the amendment seeks to do. That is all I am pleading for, namely, that the arbitrator should not have the right to cut down benefits which are now in the collective agreement for the years 1973 and 1974. Perhaps he will not do it, but there is no guarantee that he will not. Therefore, when we order people back to work there ought to be some justice in that order.

I have no hesitation in saying and in underlining—I made my position very clear yesterday—that the unions as well as the employers and workers who have engaged in this eight-week illegal strike have acted in an indefensible way. I say that as one who has dealt with these people over the years, and I am not prepared to defend their action in the slightest degree. But that has nothing to do with the welfare and livelihood of these people and their families in 1973 and 1974, when we hope there will be industrial peace. Only thoughtlessness can put in jeopardy their welfare during those two years—and that is what this law does! That should not happen. There is no reason in fact or in theory for putting these people in jeopardy; and that has nothing to do with the public interest that the hon. member for Hamilton West talked about.

Mr. Alexander: I am interested in the public interest.

Mr. Lewis: So am I; and so is everybody here interested in motherhood. I have four children, and I believe in it.

Some hon. Members: Hear, hear!

Mr. Alexander: I have only one, a 22 year-old.

Mr. Lewis: I am interested in virtue—

Some hon. Members: Oh, oh!

The Assistant Deputy Chairman: Order, please.

Mr. Lewis: Mr. Chairman, I hope you are not going to deprive me of this opportunity to emphasize support of virtue.

Mr. Alexander: Carry on.

[*Translation*]

The Assistant Deputy Chairman: Order. It is very difficult for the Chair to hear the hon. member's explanations; I wish hon. members would kindly refrain from making comments and let the hon. member who has the floor continue his remarks.

Mr. Lewis: Thank you, Mr. Chairman. As usual, you are very kind.

[*English*]

I was saying, Sir, that this is not a question of the public interest.

Mr. Alexander: Yes, it is.

Mr. Lewis: The public interest will be hurt if these stevedores are unnecessarily hurt next year and the year after that. And if they are, my friends of the Conservative party and my friends of the Liberal party will be responsible. The arbitrator, says the minister and says the hon. member for Hamilton West, will not have all the facts before him this fall and, therefore, what will he do? He will cut down all the benefits that would be available to the dockers under the collective agreement in 1973! Is that the proposition being put forward?

Mr. Alexander: Who made this bill necessary?

An hon. Member: Read the bill.

Mr. Lewis: I have read it. The hon. member for Hamilton West asks, who made this bill necessary? Therefore, he is ready to punish these people in 1973 and 1974.

Mr. Alexander: No.

Mr. Lewis: For him, that is serving the public interest.

Some hon. Members: Oh, oh!

Mr. Lewis: Let him say that to the workers in Montreal—

Some hon. Members: Oh, oh!

Mr. Lewis: —in Hamilton or elsewhere.

Mr. Dupras: The hon. member is playing to the gallery.

Mr. Lewis: Nuts to the gallery, and nuts to the hon. member. I speak plain English.

Some hon. Members: Oh, oh!

The Assistant Deputy Chairman: Order, please. I think it would be better if hon. members allowed the hon. member who has the floor to make his speech. It is very difficult for the Chair to follow what is going on.

Mr. Alexander: The hon. member has taken almost two hours of the committee's time.

Mr. Lewis: Mr. Chairman, I have not much more to say.

Mr. Alexander: Hear, hear!

An hon. Member: Filibuster!

Mr. Lewis: I must emphasize and underline that these interruptions and interjections merely show the direction of the thinking of some members of this committee.

Mr. Alexander: The hon. member, I must say, has a lot of nerve.

[The Assistant Deputy Chairman.]

Mr. Lewis: I say that the objective of the bill is not being served. In some respects we are jeopardizing the bill, and I hope it will not be jeopardized by giving the arbitrator power that he does not need. He is being given power to do things that are unnecessary, and that may harm the welfare of the people involved. That is why I am pleading.

I did not put my amendment in for nothing. I hoped that the minister and his advisers would come forward with a much better amendment which would do in a better way what I am trying to do. I am certain that this is the right thing to do. I am also certain that it is wrong and improper to interfere with the plan in the years 1973 and 1974. That is unnecessary and unjust, and that is why those powers ought to be limited to this year.

Mr. O'Connell: Mr. Chairman, we went over this ground quite extensively this afternoon. The hon. member for Winnipeg North was not present to hear the exchange, but he will find the explanations in *Hansard* that I gave then to support the provision set out in clause 7. I have given a good deal of thought to this matter and have looked carefully at the proposition the hon. member for York South has brought forward. We have considered it most carefully. We have considered the equities involved and after a brief excursion down that road, which has its attractions, we have returned to favour the present proposition as being one that provides the greatest justice. We must remember that we must provide justice for both parties; there must be equity for both parties. That will be in the best interests of all in future.

The hon. member for York South has brought forward an amendment. However, I must confess to some puzzlement because in speaking to it he opened up another door, and when you go through that door I think you will find that you are going beyond the whole purpose of this bill, certainly beyond the provisions with respect to the arbitrator's authority as provided in the bill. He would be putting the working people, for whom he has expressed concern, into greater jeopardy in the years 1973 and 1974 than any that might be contemplated in this bill.

• (2030)

If I understood the hon. member correctly, at the close of the debate this afternoon he was saying that we ought to make a provision in the bill so that the minister, on petition of one of the parties to the collective agreement, would automatically be able to appoint an arbitrator to modify the agreements in 1973 and 1974. We are not giving any such right for modification of that kind in those future years.

As I understand it, there would be the automatic appointment of an arbitrator of those collective agreements if certain events arose. What are those certain events? As was suggested this afternoon, it might be the plea of the employers that for one reason or another they could not live up to the income security plan, the plan that pays for 37 weeks whether they work or not under the new regime; they could not pay for it and they would be financially embarrassed. Am I to then appoint another arbitrator to open up the whole matter again? Are we to be in continual insecurity in this one field of arbitration? Even if we agreed that was a good proceeding—and I immediately say it is not—would we not be going beyond

the whole purpose of this bill, which is not to cure hypothetical events which might occur in the future? What the bill is intended to do, and I read from its title, is as follows:

An act to provide for the resumption of the operation of the ports—

Our whole objective is to provide for the resumption of the operation of the ports. Surely we would be going beyond what we agreed to on second reading, the principle of this bill, in providing in addition that in some future eventuality which we are unable to foresee at this time we should open up and modify the collective agreement.

Mr. Lewis: That is not what my amendment says.

Mr. O'Connell: The hon. member says that is not what his amendment does. I am glad he has retreated to the confines of his amendment. When he spoke, he went beyond that. We ought to have that perfectly clear in our minds if we are seeking the best interests of the men as well as of the employers, as we must. If it is to be a viable agreement in the future we should not introduce into anything we do any jeopardy down through the succeeding years.

I earnestly hope that the decision can be made soon. I do not mean five months from now, or next year; I mean very soon—as soon as the arbitrator is in a position to judge the operations and, therefore, the facts of the case to make the job security plan viable. All that we are providing at this point in time is that at the earliest possible moment the arbitrator will make his decision. That is his "once only" decision with regard to income security; he will not have another opportunity. He will look as far into the future as he is able to do objectively and he will make his judgment.

I earnestly hope, and I think it is the hope of all members, that when the arbitrator fixes the date for the start of the job security provisions it will be the earliest date feasible, and when he fixes the terminal date beyond which the modifications will not apply that will be the earliest feasible date to make this a viable plan as required in clause 7. It is quite conceivable that it will be in 1972; but I am entering on delicate ground and I know that none of us would wish that. That is for him to decide. However, in the nature of the circumstances I think it is quite reasonable to expect that he will know what we consider to be an early decision, an early date to begin and an early date to terminate the modifications.

If we in Parliament set a date either to begin or to terminate, we take a judgment upon ourselves that we know something about the facts, something about the matter of dispute and we are capable of saying "the end of this year and no longer." It may be longer. I earnestly hope it will be shorter; I expect it will be. However, that is territory upon which it would be imprudent for us as Members of Parliament to trespass at this time in considering this bill.

Some hon. Members: Hear, hear!

Mr. Benjamin: Mr. Chairman, I ask the minister how he finds it more imprudent to accept the amendment of the hon. member for York South than to accept the imprudence that is in the bill as it now stands. I am certain that the minister is more up to date and more aware of the situation than I am, as is the hon. member for York South. What would happen in terms of workers who had struggled for decades and finally got a negotiated settlement last April? What is implicit in the minds of those workers, if not in the minds of the minister and his advisers, is the provocation of what is in the bill and the fear they will have of the provisions of clause 7.

If the minister thinks it is imprudent to accept the amendment of the hon. member for York South, surely what is in clause 7 is equally imprudent. What is to say that the bill as now drafted will not cause more than 3,000 men, after 30 years of fighting for this, to end up in jail? Is there not some imprudence now in the clause that the minister is promoting? If the minister feels that he cannot accept the amendment of my leader, the hon. member for York South, has he given any thought to something more than what is now in the clause?

Would the minister be prepared to accept an amendment that would limit the arbitrator to adjustments in the job security plan providing that he could not go beyond March 31, 1973? Has he even looked at something in between what he wants and what the hon. member for York South is suggesting? I am not sure if that is feasible or advisable. Surely the minister is going beyond prudence in what is now in the legislation. The amendment does not ask for very much. What is now in clause 7 goes beyond the purpose of the bill on which we all agree, that is, to get the ports operating and the men back to work. Clause 7 goes beyond that. I believed the minister when he said yesterday that he does not go beyond that purpose.

• (2040)

If the amendment put forward by my hon. friend from York South is not what the minister's advisers like, one of whom disappoints me somewhat, have they thought about any other kinds of amendment that he himself would be prepared to move which would in some way provide what is needed in clause 7?

Mr. Hellyer: Mr. Chairman, I intend to speak for just a few moments before the amendment is put. In my view, the minister's belated concern for the public interest has a hollow ring. If he was as concerned about the public interest as he appeared to be from his interjection a few moments ago, I would have expected action on his part some weeks ago before the crisis reached its present proportions. I would have expected him to have introduced, not the labour bill which was sneaked through this House last Friday, a bill which would have been more appropriate to the nineteenth century, one which does nothing to resolve these paradoxes which arise from time to time in relations between management and labour—

Some hon. Members: Order.

Mr. Hellyer: I say the only job security there is in Montreal and the other ports arises from the continuous operation of those ports during the shipping season. I say this to the hon. member for York South: it is not correct that the only damage which has been done is the damage caused during this eight weeks' strike. The effect will continue for some time into the future. Additional damage will be

caused as a result of loss of confidence. It will take some time to overcome the disruption caused by the strike and to restore the confidence necessary if shippers are to return to their former practices.

I agree with the minister to this extent: I think we should get on with the bill. But I believe there must be a more enlightened approach to these issues than has been shown in the past by the government or than is evident at this time.

[*Translation*]

The Assistant Deputy Chairman: Is the House ready for the question?

Some hon. Members: Question.

The Assistant Deputy Chairman: Mr. Lewis moved:

That clause 7 be amended by changing the period at the end of line 28 to a comma and by adding immediately thereafter the following words:

"provided that he does not make any modification in the plans set out in the collective agreement as such plans apply to the years 1973 and 1974."

Amendment (Mr. Lewis) negatived: Yeas, 12; nays, 63.

[*English*]

The Assistant Deputy Chairman: I declare the amendment lost. Shall clause 7 carry?

Mr. Osler: I wish to speak on clause 7, Mr. Chairman. I was disappointed with the amendment put forward after the dinner hour by the leader of the New Democratic Party, but before dinner I thought some members on the opposition side were making a point which was most interesting. I should like to submit this view to the minister. If modification means making partial changes, I cannot but agree that neither the union people nor the employers, after all the agony they have been through, should be willing to accept modifications, partial changes in the agreement they have reached. I beg the minister to consider putting the word "temporary" in front of "modifications" in the clause because I think this is what he is really getting at. I do not believe anybody wants to force the parties concerned down an alley from which they cannot escape.

I do not wish to put forward an amendment since it is obvious that if the government is willing to accept an amendment it will do so, and if it does not wish to acdept an amendment it will not do so. I do not want to play games. I beg the minister to consider making this slight change in clause 2(b) which would let both the parties off a thorny hook. If there is no money available, neither party can live up to this agreement; but if money looks like becoming available one cannot, surely, expect the longshoremen or the employers to accept modifications which might be permanent. I ask the minister to consider this point.

The Assistant Deputy Chairman: Is clause 7 agreed to?

Mr. Knowles (Winnipeg North Centre): On division.

The Assistant Deputy Chairman: Carried on division.

Clause 7 agreed to.

[Mr. Hellyer.]

On clause 8—*Where Minister of Labour may initiate arbitration proceedings.*

Mr. Forrestall: Mr. Chairman, there is a tricky legal phrase here. Would the minister care to put on record his views with respect to it? Clause 8 reads in part:

—in a time that, in the opinion of the minister, was reasonable having regard to the nature of the dispute.

What does the minister understand by "reasonable time"? Does it relate to an indication from either of the parties who may for one reason or another not want to move? In other words, will the minister react to such a clear indication, or will he have some other reason for determining what is the proper and reasonable time to move under this clause?

Mr. O'Connell: Mr. Chairman, that is a very difficult, indeed an impossible question to answer. It anticipates an event which I trust will not arise again. It might, but I hope it will not.

The opinion I have is that a reasonable time should be taken "having regard to the nature of the dispute". So regard must be paid to the nature of the dispute, its gravity, its duration, its extent and so forth. These would all be factors in arriving at this notion of a reasonable time. It is most unusual—I do not know of any other instances, though there may have been some—for one or other of the parties not to resort to arbitration when a grievance arises. We did run into that in this case and we put a caution in there. I would say that the length of time was entirely unreasonable in this particular instance, having regard to the nature of the dispute and the availability of the arbitrator to get an agreement on a standby basis. I think that is a judgment one has to exercise in a situation as it emerges, and I will have to resist the temptation to comment about the particular length of time.

• (2050)

Mr. Forrestall: Mr. Chairman, I hope the minister does not interpret the words "reasonable time" to mean that he should take the most unreasonable amount of time he has taken to move in this particular situation.

Mr. O'Connell: Mr. Chairman, I think I am entitled to reply to that remark. The unreasonableness in this dispute should be laid on the parties to the dispute. If any members still think the minister took an unreasonable time, what they are saying is they would have preferred the minister to go around the procedures of collective bargaining in certain circumstances and open up the agreement. We know that agreements are closed and that this has become a tradition in Canada. It is a most serious thing, indeed, for any minister of the Crown—

Mr. Alexander: He was only kidding.

Mr. O'Connell: I am told that the hon. member for Dartmouth-Halifax East was only kidding. I do not take it as kidding, because it is a very serious thing to suggest that the government or the minister should intervene when the only manner of intervention would be the seeking of renegotiation of an agreement, particularly when what is required is not renegotiation or a reopener but, rather, interpretation of the rights in an agreement. That

is why it was an unreasonable length of time to be taken by parties to do that which they were required to do by law.

Mr. Peters: Mr. Chairman, I am not sure that what I have in mind should be covered by this type of bill. However, would the minister indicate whether the length of time aspect would cover vacation pay, which was recommendation No. 4 of the deputy minister and other officials? This question was in dispute at the time the meetings were being held. I am wondering if it is one of the matters that could be settled under this clause.

The recommendation was that vacation pay be paid to employees as soon as it is possible for the staff to issue cheques. Is this one of the matters that may be involved? If so, I am curious to know why it was such an important part of the settlement and why it was an issue in the recommendations for settlement. I am wondering whether this is one of the matters the minister envisages as having to be settled within a reasonable period of time.

Mr. O'Connell: Mr. Chairman, the answer to the hon. member for Timiskaming is no, we did not have that particular question of vacation pay in mind when drafting clause 8. We did not know of any particular difference of opinion that existed on this question at the time we drafted it. To the best of my knowledge, vacation pay was satisfactorily resolved in the mediation process. I do not know whether it has slipped out of that position now, but it would be only right that I point out that it is the kind of issue which is arbitrable. In the normal course it could indeed come into the arbitration proceedings. This protection in clause 8 was required in order that we will not be caught again in the impasse that locked us out of the action when neither party would initiate that arbitration proceeding.

Clause 8 agreed to.

Clause 9 agreed to.

The Assistant Deputy Chairman: I understand that clause 5 was stood. The committee will now revert to consideration of clause 5.

On clause 5—*Persons bound by collective agreement.*

Mr. O'Connell: Mr. Chairman, clause 5 was stood, and I think we owe it to the hon. member for Dartmouth-Halifax East to provide an answer. If my memory serves me correctly, I was asked whether clause 5 would apply to any other union which may be working on the docks and would we, in anything we are doing here, affect the rights of other unions in these three ports. The answer is no. A clear understanding of this measure is that it will apply only to those unions mentioned in the collective agreement, that is to say, the three locals of the International Longshoremen's Union, No. 375 in Montreal and the two in Trois-Rivières and Quebec City respectively, but not any others: they are untouched by this measure.

Mr. Forrestall: Do I understand the minister to give me the assurance that other unions such as those governing checkers, freight handlers, and so on, who may be working under certification and within the terms of agreement between the Maritime Employers Association and the ILA will not be affected by the legislation we are about to pass in committee?

Mr. O'Connell: I am not in a position to say whether they have an agreement with the MEA. Indeed, they would have an agreement because it is the bargaining agent for these companies. But they are in no sense under the umbrella of this measure. They have their own agreement, although there may be matters in common. Their agreements exist in separate compartments and we do not trespass into them with this measure.

Clause 5 agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported.

Mr. O'Connell moved the third reading of the bill.

• (2100)

[*Translation*]

Mr. Georges Valade (Saint-Marie): Mr. Speaker, before the adoption of the motion for third reading of this bill, I would like to say a few words.

As I was telling the House only yesterday, we are certainly very reluctant to have to pass this bill which, we hope, will bring about peace, stability and prosperity to the St. Lawrence ports and will permit longshoremen involved in this conflict to earn their living.

Mr. Speaker, while this bill was before the Committee of the Whole, I was surprised at the motion introduced by the NDP. We voted on this motion which was defeated. I voted with the majority and I feel I must explain why I voted against this amendment.

Mr. Speaker: Order, please. The hon. member knows that we cannot re-open the debate concerning a question already put to the House.

Mr. Valade: Mr. Speaker, I accept your remarks.

Before this bill is read the third time, I must say that the discussions we had today do not question the ability and the qualifications of the arbitrators who will be asked to decide upon the present litigations in connection with the situation prevailing now in the Quebec ports.

A while ago, Mr. Speaker, some remarks have been made during the debate on this bill to the effect that the government had delayed its decision in order to find another solution to that conflict.

I must remind the House that not so long ago—and I am surprised it took the government so much time to introduce a bill—when the country was almost paralyzed by striking air traffic controllers, barely 24 hours after work stopped the Minister of Transport (Mr. Jamieson) said something to the effect that if the strike was not settled within a matter of hours, the government would consider introducing special legislation.

We passed a bill on second reading today; that proves the need for the government to act, in view of the seriousness of the problem. Were the strike to continue much longer, its effects on the ports would be disastrous.

An hon. member—I believe it was the hon. member for Trinity (Mr. Hellyer)—asked about the harm done to the ports. He also asked the minister if his department had made a study of some kind to know the real extent of the harm caused by the work stoppage.

Mr. Speaker, obviously that work stoppage has done great harm, from the point of view of the economic future of the port of Montreal as well as to the life of the people involved in this conflict. I believe this bill was warranted and will serve the purpose it has in view, namely to settle the conflict. I think it is appropriate to say that as the representative of a constituency that is especially affected by this strike as it is in the geographical ambit of the port of Montreal and because I know many of the people caught in this conflict and I am in contact with them all the time, I must say that most of the longshoremen I have seen and who came to me for advice were really anxious to go back to work.

The special legislation will not be considered as a punitive measure but as one to bring order, to straighten out things in the ports, to enable the longshoremen to go back to work, to earn a livelihood for their family and provide for a better economic future for the three ports concerned, especially that of Montreal.

[*English*]

Mr. David Lewis (York South): Mr. Speaker, had you had been present during the discussion in committee of the whole you would have heard me do all I could to persuade the minister to amend one of the clauses of the bill. Despite the fact that I was unsuccessful, it still remains necessary for this Parliament and for every Member of Parliament, in my opinion, to support the bill so that the expression conveyed to both sides to the dispute in the three ports concerned is a unanimous expression of the will not only of this Parliament but of the people of Canada.

Some hon. Members: Hear, hear!

Mr. Lewis: I regret, as I know the minister does, that the two parties to the dispute, the union as well as management, acted in a way which made it necessary for Parliament to take this action. It would have been much better for Canada and much better for the welfare of the people concerned in the ports, as well as much better for the welfare oflabour relations in Canada, if the union and management had lived within the collective agreement they had signed and set an example of the kind of industrial relations a modern civilized society ought to have.

It is a great pity they continued on their obstinate course for eight weeks, causing a great deal of harm to themselves, to the employers on one side, the members of the union on the other and to the communities concerned. As the minister rightly said earlier—I am not quoting him, but I got the sense of what he said—this caused a great deal of harm to the notion of industrial relations and collective bargaining and the value, strength and application of collective agreements.

It is, therefore, not with a light heart that we support this bill. I am sure I also speak for all members of this House. I am certain I heard the minister say that is the way he feels about it. It is not with a light heart that we

[Mr. Valade.]

support this bill, but because in our view, and I hope in the view of every member of this Parliament, the impasse created by the obstinacy of the two parties at these three ports has to be broken for the benefit of the country as well as for the benefit of labour relations. This bill is the only agency which can break that impasse and therefore it was inevitable and necessary even though the need for the action is regrettable.

I think the time has come to vote on third reading stage. I hope we are able to pass this bill tonight so that it can go to the Senate—I am getting tired of saying "the other place" and be dealt with so it can come into force as soon as possible and work may resume at the three ports, I hope not later than next Monday, even though it may have to begin in a small way.

Therefore, Mr. Speaker, I shall not take any more of the time of the House except to repeat that I am sorry this action was made necessary by the behaviour of the parties. I hope with all my heart—I repeat the appeal I made yesterday—that the management and the members of the union will obey this law without cavil, without hesitation and without creating an even more difficult situation than the one with which Parliament is now faced. I am sure they will, as Canadians, and I know that if that happens Parliament will have done the right thing in adopting this bill.

• (2110)

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have not participated in the debate so far but I want to make a few remarks now. I note that the hon. member who sits behind me thinks that so long as someone from his party has spoken, anybody else should shut up. That is their attitude. They have had their say and everybody else should be quiet. However, I will say that I deplore the fact that this Parliament has had to engage in another example of scrambling "ad hockery", because that is what this bill is.

When we were considering Bill C-183 I made several speeches to emphasize what I consider to be one of the greatest gaps in the Canada Labour Code, and I reemphasize to the government that the biggest gap is that there is no provision to take care of the public interest. As the hon. member for York South (Mr. Lewis) said, the public interest in this case overrode the interest of management and of collective bargaining.

An hon. Member: Sit down.

Mr. Lambert (Edmonton West): The individuals over there who sit like crows on a fence and shout "Sit down" should make a contribution other than sitting in their place. But they do not. All they do is delay this matter further, because we will have our say.

As I said, the biggest difficulty that faces the country insofar as labour relations are concerned is that there is nothing here that permits the government to act when the greater public interest is being pushed aside or suppressed. We had the example of Parliament sitting right up to the eve of Christmas because of the strike of airline mechanics. The same sort of thing occurred when electronics workers in the public service were holding to ransom the greater public interest.

Some people ask, "Are you going to impose compulsory arbitration?" What is this but compulsory arbitration? This is forcing people back to work. Parliament, after it is pushed and prodded, takes action far too late. Millions of dollars are lost to the dockers and to their employers and the economic future of the port of Montreal is placed in great jeopardy.

I was amazed at the temperance of my colleague, the hon. member for Hamilton West (Mr. Alexander), in his criticism of the government. He was very moderate in his criticism of the minister. He should have climbed over there with spurs to deal with the government which, quite frankly, has been very lax and very slow in dealing with this matter. I support my colleague, the hon. member for Sainte-Marie (Mr. Valade), who suggested that what should apply in a strike of this kind is a mandatory secret ballot. I understand that the secret ballot was used in two of the ports, certainly in the port of Quebec, and there was less trouble there. There is certainly far less trouble when there is a secret ballot, and in matters of this kind it is mandatory that it be a supervised ballot: the public interest demands that.

This bill does not impose any penalties for non-compliance. Someone asked why these should be necessary because penalties are already provided in the Criminal Code. We saw in this morning's press that some penalties have been imposed with regard to this dispute. But how were they applied? They were applied under a very contentious provision in the law, namely, contempt of court. I know that organized labour does not like the provision of contempt of court, but we are relying on that and I think it is a very shaky base. The Criminal Code also deals with the individual. It seems to me that in this legislation, or in the labour code, penalties should be defined far more clearly in respect of union organizations or employers of organized labour so that if in the public interest action must be taken, it is spelled out and everybody knows what it is.

It seems to me that this debate has been an exercise of two days which should not have taken place. I am not assessing blame to one side or the other: I suppose that both sides are to blame. But I do complain because Parliament has had to engage in what I call a scramble of "ad hockery". This may happen more frequently during this year. That is not the way to deal with this type of labour dispute. I am hopeful that everybody will have some sense now and that they will repair as quickly as possible the grave economic damage that has occurred to a section of the country.

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I would feel guilty if I did not say a few words concerning the bill now before us. We did not participate in the debate in the Committee of the whole, presented any argument nor discussed the amendments which were moved, because we considered that this government was entirely right.

Mr. Speaker, as many other people, we want a prosperous, live and progressive economy. We have also felt that the unions had carried things too far, and when this happens, somebody must call them to order. It therefore rested with the government to restore order. The situation prevailing in the ports has caused heavy damages to the Canadian economy but they are rather difficult to assess.

We appreciate what the government has done in that connection. It was high time it intervened to settle that conflict which should not have lasted so long. It should have been settled well before today. In my opinion, the government has given all possible freedom to enable the two parties to come to an understanding before intervening. And as I said a while ago, when things have gone too far, someone must restore order and intervene. It was the duty of the government to assume its responsibilities.

I should like to express all my admiration for the Minister who has so ably stated the whole case, defended this bill and taken his responsibilities. This is why we did not participate in this debate, but are 100 per cent behind the government in this case.

[*English*]

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

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

* * *

• (2120)

FAMILY INCOME SECURITY PLAN

MEASURES TO PROVIDE BENEFITS IN RESPECT OF CHILDREN

The House resumed, from Thursday, June 29, consideration of the motion of Mr. Munro that Bill C-170, to provide for the payment of benefits in respect of children, be read the third time and do pass, and the amendment thereto of Mr. Knowles (Winnipeg North Centre) (p. 3655).

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, this is a piece of legislation about which no one can be happy. We have observed that the minister himself has become increasingly unhappy with it. As a matter of fact, listening to him on certain broadcasts he seemed really desperate in his stridency, trying to apologize for the legislation. Social workers across the country are not happy about this legislation. The opposition parties, for various reasons, are not happy about it. The one million mothers from whom family allowances will be withdrawn are not happy about it. Taxpayers who have really studied the matter are not happy about it. With all these people unhappy and worried about this family allowance bill, one is driven to inquire why the government introduced a bill of this type.

The government took a long time to get around to it. The government examined the matter and introduced variations of this bill. Finally it reached the tail end of this session and, with great reluctance, the government introduced the bill knowing that nearly all the people concerned feel miserable about it. If all this is the case, why has the government sought to push through this legislation at this stage? It is for the sole and simple reason that the government is unwilling to deal with the question of poverty in the way in which it should be dealt with; it is

unwilling to take the type of measures which should be taken if poverty is to be eliminated.

The government is unwilling to face up to the need for a proper quaranteed income plan, a plan whereby people are quaranteed jobs and can make a living according to their abilities. Above all, the government is unwilling to introduce a fair system of taxation by which it could pay for such measures.

This is a crummy piece of legislation, a crummy way of dealing with family allowances. It is unworthy and inadequate no matter what way you look at it. In fact, what the legislation is doing is taking advantage of the desperation of poor people in order to appeal to the sympathy of other elements to get this thing passed. It is an inadequate thing; it is unfair; it is unjust; it is a poor piece of planning. Yet the government is leaning on other sections of the population by appealing to the desperation of the poor people who need more money.

There is no doubt that poor people need more money, and the government is telling the poor people that this is the only way they can get more money at this time. The government has gone to the anti-poverty organizations, to people on low incomes, and said, "This is your only chance for more income." Naturally, people who are on social assistance, people in low income brackets, are frightened silly. In turn they say, "If this is the only way the government will give us any more revenue, then we have to pass this bill." They have sent desperate wires to all members of this House urging us not to stand in the way of their getting more money at this time. I think that is completely unworthy of the government.

The government is counting on people outside this House not knowing the facts. It is telling them that this is the only way to get started on a guaranteed income scheme. Mr. Speaker, this is as far from a guaranteed income scheme as is the city of Ottawa from Timbuctoo. It has nothing to do with a guaranteed income scheme. The principle of a guaranteed income scheme is the establishment of a definite income floor below which nobody will be allowed to fall. This bill is a handout, a pittance to the poor: it has no resemblance at all to a guaranteed income scheme. This is no way to get started on a guaranteed income scheme. In fact, this is a way of avoiding putting a guaranteed income scheme into operation. It is an obstacle in the way of facing up to a guaranteed income scheme.

If you look at the areas which are desperate to get this legislation passed, they are the areas where there are people who desperately need money. The government has turned a deaf ear and a blind eye to them in their poverty, and they see this bill as their one remaining chance. What the government is not telling the poor is probably more important still. It is not telling poor people that under this proposed scheme the new levels of payments cannot be made for at least a year. When the minister introduced this scheme he was confident that the new rates would come into force this summer. But as his officials began to experiment with the procedures necessary to make the legislation effective, they found that the appalling processes of red tape and the complications of administration were putting the legislation farther and farther away from coming into operation. Today the departmental officials tell us that it will be at least a year before the bill can come into operation. That is something which the government is not telling poor people. It is not telling them that their desperation for more money must continue for at least another year.

[Mrs. MacInnis.]

Further, it is not telling them that the new schedule of payments will not even have the buying power of a 1945 family allowance cheque. Between July, 1945, and September, 1971, the consumer price index rose to 230.7. This means that the family allowance for a child 11 years of age should have risen from $7 per month in July, 1945, to $16.15 in September, 1971. Instead, under this bill a child of 11 will get only $15, and only if it is a single child and the family income is less than $4,500.

A family with a working wife will be penalized. If a husband is making $4,000 a year and his wife supplements his income by a mere $1,000, and they have only one child, then the baby bonus will decrease. This new scheme is not only a pittance to the poor; it is a guarantee that they will lose all incentive to work their way out of the trap of poverty. That is what this baby bonus amounts to.

• (2130)

This government is not telling the poor that in this legislation there is no protection against the provinces cutting off their social assistance by the amount that this family allowance would raise it. There is no protection in this legislation to ensure that poor families will get the full amount. The provinces are perfectly free under this legislation to cut down the allowance for social assistance by the amount that this family allowance would have increased it. Let me point out what this means in practice. Recently I received a letter from some poor people in the city of Calgary, the Anti-Poverty Organization, who wrote:

> The bill provides for a redistribution of family allowance payments. Poorer families will receive an increase in family allowance. Because of the increase in moneys involved, there is a proposal that family allowance now be treated as an income, and income tax be paid. In certain areas we feel this to be fair and just. But in other areas, it is not. Particularly when a family is forced, by circumstance, to subsist on social assistance.
>
> Traditionally, the family allowance payments have never been viewed as income. Therefore, they have been exempt from being so considered by welfare agencies and have not been deducted from assistance cheques. Should they be now viewed as an income they will be deducted. In simple mathematics this might mean that a woman with six children today receives a total of $40 from family allowance per month. Her monthly social assistance maximum cheque might possibly be $275. This gives her an actual cash flow of $310. This is true under present administrative policies. Yet, with an increase payment scaled to her over-all income, this mother may now (under Bill C-264) receive about $160 monthly from family allowance. Viewed as an income it then would be deducted from the $275 social assistance cheque; she would now get $160 in family allowance and $125 in social assistance for a total of $275.

In other words, in Edmonton or Calgary she now gets a total of $310 but when this bill goes through there is nothing in the world to stop officials cutting her, with her six children, down to $275. I raised this point in committee on May 24, 1972, when the matter came up and I should like to quote from the proceedings so that people will see what the government is not telling them. At page 9:21 I said:

> I want to know whether any attempt has been made to ensure that

in any discussions with the provinces that when the people get this family allowance legislation, that people in social assistance families getting this amount will not be taken off the rates that are set for social assistance. Have there been discussions with the provinces on this? I know in my own province there would be very great danger that in getting the social assistance rates this particular form of income would be taken into account and deducted from what otherwise would be given.

The minister replied:

There have been discussions to the degree that I have expressed to the provinces when we have talked about this principle of selectivity and getting larger benefits to those in the lower income groups the hope that it would not be deducted dollar for dollar from social assistance levels that are now being paid to families in Canada. It seemed to me that I received protestations from many social welfare ministers that this would not be the case. They would not do this.

I pressed the minister still further and he replied:

That is the only way you can do it. You can hope that that will not be the case. Provinces, as you know, have jurisdiction in this field in terms of the administration of social assistance, and we cannot tell them what to do. We can only hope that they will not do it. So I can only express my own view, I do not think they will do it.

I then pointed out that when dealing with the province of Quebec the minister went throught the whole painful negotiation to ensure that certain points would be observed in the legislation in order to suit that province. I said I could not see, if he could go through the process of negotiation with the province of Quebec in order to get certain guarantees, why he could not go through the process of negotiation with other provinces. He should make sure that the full amount that was being given under the new family allowance would go straight to those people on social assistance for whom it was intended, and that it would not be cut off by the provincial authorities in setting the social assistance rates. The minister insisted that this could not be done and that he was hoping the authorities would not do it in the provinces.

Yesterday in a statement the minister pointed out that in the case of the old age pension the regulations under the Canada Assistance Plan had been altered so that the provincial authorities could deduct those rates. I am pointing out that it is only a matter of time until the provincial authorities also cut down the family allowance to the point where the people might as well not get it. The government is not telling the poor people that they are completely unprotected, as far as Ottawa is concerned, in the new family allowance rate. In my view this is not honest and it is not playing fair with the people for whom this legislation was designed.

Another thing they are not telling the poor people is that this legislation means perpetual paperwork on their part. Every time a child moves from below age 12 to above age 12 a report has to be made. Every time a child moves beyond age 17 a report has to be made to the authorities. Every time a child is born there is a report to the authorities. Every time a child dies there is a report to the authorities. Every time there is a change in the family income there is a report to the authorities. Every time a wife goes out to work for income there is a report to the authorities. Every time a husband goes on unemployment insurance there is a report to the authorities. What is being added to the arthritis of government procedures? We are getting a Saint Vitus's dance of administrative complexities added, making this into a complete mess.

Mr. Hellyer: Hear, hear!

Mrs. MacInnis: I think this is the height of dishonesty when it comes to dealing with people, particularly the most vulnerable element of the population. Above all, what the government is not telling the people is that in order to get this pittance for the poor it was completely unnecessary to replace a good, universal plan. We in this party have an amendment and we have been prepared to compromise by placing one amendment now before the House. We have said, "All right; you are insisting that you cannot do this in the right way, so keep the universal family allowance for everybody and then add for the poor people the new amounts. If you are serious about the poor people needing this, and if you will not do anything else, then our amendment says keep the universal scheme and add on the amounts for the poor people who qualify." But the government will not accept that amendment either. We appeal to them to accept it if they will not accept anything else.

I want to make a last appeal to the minister. It is a very serious thing to wreck this universal scheme that we have had. There are only two things wrong with it. First of all, the amounts are away out of line with what they should be. There is another thing that the government is not telling the people, Mr. Speaker. There is no escalation clause in the family allowance scheme such as has appeared in legislation for veterans and old people.

• (2140)

The inflationary factors that are working against all the people will work against those being paid benefits under this plan. What is wrong with the legislation is that the amounts provided are far too small and there are no provisions for escalating them as living costs rise. Also, no attempt is made to distribute the burden fairly. Taxation will not fall most heavily on those who can best bear it. Actually, a great many families that are being taxed to provide moneys for family allowances will never get any. The million mothers who are to be denied benefits will pay for this measure in taxes. As I say, they will not get any benefits at all.

This plan is a far, far cry from the plan of 1944. The Liberal government of the day then introduced the universal family allowance scheme. They were proud they had introduced it and held their heads high, even though they had been prodded from behind by the party I support. They were proud because the principles underlying that legislation were good. The government recognized that families with children had special needs. That was no attempt at dealing with poverty in any sort of bad way because the payments were directed to all the mothers of this country. We recognized that they were doing a service for Canada and we were prepared to help them perform that service.

I have met university graduates in the last little while who have told me that it was family allowances saved over the years which helped to pay for their education. That, of course, was part of the original intent. We also intended to ensure a greater measure of equality for all

children in this country. We intended to help ensure an adequate income for social insurance and social assistance recipients with children while at the same time avoiding grants that would diminish incentives to work. Further, we intended to create a substantial program for maintaining high levels of income and employment in the post-war period. This program worked well for years.

As I suggested, if the minister had been content to increase payments and bring them into line with today's living costs, if he had included an escalation clause to take care of future developments and had introduced a fair taxation scheme to be implemented either by way of general taxation or special, selective taxation as the Canadian Council on Social Development proposed, we would not harbour sad or unhappy thoughts about this legislation. That, however, has not been done.

Furthermore, we now see this universal scheme going the way of the former old age pension universal scheme. Again I say, the million mothers who will not get benefits will feel keenly the injustice of their position. Remember, the Royal Commission on the Status of Women recommended increased family allowances, as has committee after committee and commission after commission in this country. They said we should not withdraw family allowances from some but, rather, should increase them for all.

Carrying out the program will be an administrative nightmare. Altogether, this will be a ghastly failure. As the hon. member for Winnipeg North Centre (Mr. Knowles) predicted some time ago, I too predict that it will not be many years before this government—or, what is more likely, the government that will succeed it—will look with shame at this type of allowance as being completely unworthy of the families, households and firesides of this country. Then they will say, "What in the world were they thinking of in 1972?"

We are living in a rich country. We are boasting every year of our increasing gross national product, of our increase in productivity. We boast of our standing among the nations of the world. Practically all nations which call themselves civilized have adopted universal family allowance schemes. But Canada is going back and joining the underdeveloped countries in this regard. I am ashamed of that and I feel sure that in his heart the minister shares that feeling of shame. He, too, is disappointed.

With these words, I again appeal to the minister to look again at this program. It is not too late to change. Often at the last minute people have drawn back and changed their minds. History has shown that they had the courage to do what their conscience dictated. They came through the immediate ordeal and were looked on as men of courage and vision.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, whether or not the revival of Bill C-170 will bring about the desired results will depend on the attitude of all Members of Parliament towards its objectives, which are to provide for the payment of benefits in respect of children. I see no purpose in repeating again the many weaknesses and inequities in the bill. My main purpose in speaking on the amendment of the hon. member for Winnipeg North Centre (Mr. Knowles) is to remind all hon. members that, while we procrastinate in continuous debate on the bill, hundreds of thousands of Canadian children are being denied the increased benefits provided for under the bill.

Some hon. Members: Hear, hear!

Mr. Marshall: The Minister of National Health and Welfare (Mr. Munro), who I realize feels very strongly that the bill is acceptable in its present form, has shown a stubborn attitude in not accepting some amendments which my party introduced during the report stage and which would have improved the bill. It is obvious now that he will not relent and accede to these requests. For example, Mr. Speaker, I see no reason why the official opposition's amendment to have cheques made out to mothers was not acceptable, since we would only be repeating what was contained in the old Family Allowances Act. Neither can I see the reasoning behind the government's refusal to accept an amendment which would only fulfil a commitment made by the government under Bill C-264, namely, that increases in benefits would be payable as of May 1, 1972. Although I have repeated this many times, I will continue to repeat it: the government made a promise to the families involved and they failed to keep that promise. The promise was that whenever this bill became law the government would owe Canadians who qualified some $13 million a month since May 1, 1972.

Another serious fault is that the minister has failed to ensure that provinces will not include income under FISP and set that off against social assistance. Unless remedial action is taken before FISP is enacted, the provisions of the Canada Assistance Plan could undermine completely the stated objectives of FISP, which are to fight poverty. The problem, in a nutshell, is that under the Canada Assistance Plan the provinces are perfectly entitled to lower their rates of welfare assistance to families in proportion to the higher family allowance payments that these families will be receiving when FISP becomes law.

Under section 2(b)(iii) of the Canada Assistance Plan there is provision that the provinces, in determining the degree of need and in making arrangements for social assistance to applicants for welfare, shall take into account all income maintenance payments made through unemployment insurance, old age pension security payments, the Canada Pension Plan and guaranteed income supplement schemes. However, it is optional for the provinces to take into account family allowances and other schemes. This is a decision for each individual province to make.

Certainly, not one of the provinces calculates family allowance payments as income for purposes of social assistance. However, it is entirely possible that when the new, higher benefits to poorer families are paid after FISP becomes law, some provinces may start to include FISP as part of the welfare applicant's income and will lower family social assistance payments correspondingly. It is especially likely that the poorer provinces which have long felt hard pressed by the inflexible 50-50 cost-sharing arrangement entered into with the federal government under the Canada Assistance Plan will unfortunately feel compelled to make such a revision.

• (2150)

Family allowances seem to be making some headway in dealing with regional and individual poverty, but this problem threatens to erode the gains made unless agreement is reached between the two governments. I hope that in the time available to the minister he will ensure that arrangements are made and agreements are reached with the provinces.

Another matter that has not been mentioned so far is the appeal procedure. This should be revamped. The plans for appeal under a new FISP, clause 11 of Bill C-264, are for a government-appointed, government-run tribunal to hear complaints about receipt and amounts of benefits. To ensure that the appeal procedure is conducted in a fair and just manner the tribunal established to hear appeals should instead be quite independent of the government and should not be merely another subsection of the government.

Many members who spoke in the various phases of the debate have pointed out other weaknesses in the bill, but at no time has there been a satisfactory explanation as to how the government will deal with drastic changes in income each year for citizens such as fishermen, farmers and independent truckers. The income floor will be based on the previous year's income. Let me give an example of a fisherman who qualifies for the maximum benefits during a bad fishing year. In the second year he might have a reasonable income. This might put him over the basic income floor. After the fishing season he may find that, based on his income, he will not qualify for that year. In the third season he might have another bad year with little or no income. He may have to resort to unemployment insurance or even welfare. This means that fisherman would have to repay the government for the previous year's benefits when it would be impossible for him to do so, even with the fancy computers available to figure this out for the government. What will this fisherman do?

My concern is that while this bill has dragged on, we have failed to realize the intent, that is, to provide increases in benefits to those with children who are on the no-income or low-income scale. No one seems to be particularly concerned that while we procrastinate, at this very moment hundreds of thousands of children are suffering from malnutrition because of lack of proper food. At this very moment thousands of Canadian children do not have a decent bed on which to sleep. They huddle for warmth in corners of substandard homes, cold and miserable, because the government has failed to provide decent housing for Canadians.

No one seems to want to realize that at this very moment thousands of parents in this country are sacrificing their health from undernourishment in order to give a little extra to their children because governments have failed to provide for them. These parents sit and wonder why we, who are supposed to provide them with care when they are unable to do so, have failed over the years to deal effectively with poverty when, as everyone admits, this should be the most prosperous country in the world.

May I call it ten o'clock, Mr. Speaker?

[*Translation*]

The Acting Speaker (Mr. Boulanger): Does the House agree to call it ten o'clock?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

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

[*English*]

TRANSPORT—LEASING OF UNITED STATES BOXCARS TO MOVE GRAIN—PURCHASE OF ADDITIONAL HOPPER CARS BY RAILWAYS

Mr. Bill Knight (Assiniboia): Mr. Speaker, on April 21 I asked the Minister of Transport (Mr. Jamieson) a question relating to the leasing of United States boxcars for the handling of grain. The minister informed me that the CNR was leasing boxcars. I asked a supplementary question concerning the fact that the CNR was spending millions of dollars on building flat cars in Montreal while we needed hopper cars for the movement of western grain. The minister said he would look into the matter and deal with the subject when talking with officials of the CNR at a future date.

The situation in terms of hopper cars has changed somewhat since that time, in the sense that the government has decided to build about 2,000 hopper cars to meet the needs of moving western grain and leasing them through the Canadian Wheat Board. I and other members have asked the government on a number of occasions to impress upon the railroads the need of putting hopper cars into service for the movement of grain. I am pleased to see that this has been done. There is some question about whether or not the Wheat Board, in providing the cars for the government, is in some way subsidizing the railways. I do not wish to get into that question tonight.

Since this may well be the second last day before adjourning for the summer, I want to point out that there are still a number of key problems with regard to the grain movement in the west. I propose to present some of these problems in the hope that the government will look at them even though the House may tomorrow adjourn for the summer. On several occasions I have brought a real problem to the attention of the Minister of Transport and the minister in charge of the Wheat Board. It is that at CNR delivery points in the province of Saskatchewan, particularly at nine delivery points in southern Saskatchewan, there has been a real shortage of grain doors. One quite accomplished writer for the *Globe and Mail* asked what is a grain door. You can have all the boxcars you want at a delivery point, but if you do not have a grain door to put in the boxcar you can not move the grain from the delivery point.

The CNR, which has a public responsibility because it is a public corporation, at one time this spring had 40,000 grain doors in a warehouse in Saskatoon. They were unaware of the fact they were supposed to be repairing

them to be used at delivery points in Saskatchewan. That kind of lack of priority by the CNR has to be taken care of for the benefit of farmers trying to meet their quotas, as well as for the benefit of the grain buyer at the local delivery point so that he is not sitting up all night preparing grain doors instead of loading the boxcars. Some hon. members who are not from the west may not find that important, but it is pretty basic to moving grain that you have proper grain doors at the shipping points.

The other problem at the shipping points is the condition of the boxcars which the railways send back after having been to the terminals at Vancouver. It takes many hours to repair them. That is coupled with the problem of terminating quotas. Members from the west are aware that there is some need for terminating quotas in order to meet our commitment and the present demands of our foreign markets. The terminating quota has created some difficulty because at particular delivery points farmers cannot get their grains into the elevator because of problems such as boxcar allocation. Because of the terminating dates they lose their quota in moving, for example, 2CW Durum wheat. They can lose their quota because the boxcars have not been allocated.

As this may be the second last day of this Parliament, I hope the ministers involved will give serious consideration to the extension of quotas, particularly in situations where the farmers are unable to meet their quotas because of boxcar allocations. Further, representatives of the Wheat Board stated before the newly-formed Senate committee on agriculture, of which the former member for Assiniboia is chairman, that they would take the question of the extension of the quotas into consideration. I hope they will do so, having given this undertaking.

• (2200)

There are other aspects which must concern us in relation to the movement of western grain. For example, there are the experiments which have been going on at the inland terminals. I trust that the information forthcoming from these activities will be made available not only to western producers who, incidentally, may well be paying for these experiments indirectly through the Wheat Board, but to all Members of Parliament and to the public at large.

Mr. Lloyd Francis (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, a number of important and positive steps have been taken by this government to facilitate the movement of Canadian grain to market since the hon. member originally placed this question on the list for discussion at the time of adjournment several months ago. One of the questions the hon. member directed to the Minister of Transport (Mr. Jamieson) during the question period of April 21 inquired as to the leasing by the railway companies of United States boxcars for grain handling. For the record, CNR leased 400 U.S. boxcars and CPR leased 760 at that time.

The hon. member also referred to the CNR boxcar building program. As he knows, tenders were put out for this work which will involve the construction of 700 boxcars. In addition, CN has initiated an upgrading program involving 2,800 boxcars of various types. This work is being done in CN shops in Winnipeg and Montreal. I am sure all grain producers welcomed the Prime Minister's announcement concerning the acquisition of 2,000 more hopper cars for the Canadian fleet. I am pleased to note the hon. member's recognition of this.

Mr. Prud'homme: He is applauding, you will notice.

Mr. Francis: These, with average use, will carry 150 million more bushels per year. This represents an increase in carrying capacity of 20 per cent and amounts to a major federal government undertaking on behalf of Canadian grain producers.

Some hon. Members: Hear, hear!

[*Translation*]

REGIONAL ECONOMIC EXPANSION—REQUEST THAT SHERBROOKE BE DESIGNATED AS SPECIAL AREA

Mr. Henry Latulippe (Compton): Mr. Speaker, on June 22, I asked a question to the hon. Minister of Regional Economic Expansion (Mr. Marchand) in connection with the Sherbrooke area. I asked him whether Sherbrooke was going to be designated as a "special area", in view of the large number of very poor adjacent parishes located in this region.

My constituency is partly included in the Sherbrooke area; in view of the current economic situation, I urge the Minister of Regional Economic Expansion to give the Sherbrooke region the status of "special area".

Since several destitute parishes in my region are within the Sherbrooke area from the point of view of the economy, I wonder whether it would not be possible to designate the city of Sherbrooke as a "special area". If not, I would like to make another suggestion to the hon. minister or to his parliamentary secretary.

Would it be possible for parishes in my riding to be detached from the Sherbrooke area? I think of the Scotstown parish which is quite destitute. There are many destitute parishes, but I take this one as an example. Formerly, a rather important industry was operating there employing 400 people. This industry has shut down and no other has been established in this municipality which is now deserted and deprived of everything. A visit there is nothing funny. It is part of the Sherbrooke area and nothing can be done for it.

I would like, if possible, that Sherbrooke become a "special area" encompassing all these municipalities, or alternatively that all parishes in the Compton riding be detached from Sherbrooke to become a "special area" since what happened to Scotstown is being repeated in many parishes in the riding.

Compton is one of the most destitute ridings of Canada. There are various places where something should be done. If we do not act, a number of municipalities would be forced to disappear.

The Lac-Mégantic municipality, where I live, is quite important. With a population of 8,000, it has no industries. A few small industries can be found, some of which

operate at low speed. There are certainly great needs to be met.

The situation in the city of Coaticook where 8,000 or more people live, is also tragic. Although this municipality is a little more prosperous than Lac-Mégantic, it would certainly need other advantages for its development.

Before concluding, Mr. Speaker, I want to express the hope that it will be possible to consider the area in which I live and to meet my request that Sherbrooke become a designated area, or else, that the parishes of Compton be taken out of the Sherbrooke area to become a separate area, so that the population can take advantage of the act.

Mr. Marcel Prud'homme (Parliamentary Secretary to the Secretary of State): Mr. Speaker, the Department of Regional Economic Expansion—whose head is the indefatigable hon. member for Langelier (Mr. Marchand) who, as we know, spares no time or effort to try and eradicate economic disparities between regions—conducts several studies, in co-operation with the Quebec Planning and Development Board, concerning the potential for development of the Eastern Townships area.

A White Paper on development trends in the Eastern Townships area has also been prepared. This document has been prepared jointly by the Department of Regional Economic Expansion, the Quebec Planning and Development Board, and the Regional Development Council.

However, even if studies and discussions are going well, the present "special areas" in Quebec having been designated up to June 30, 1973, the creation of a new "special area" cannot possibly be decided soon.

The hon. member will be happy to learn, however, that review of the policy and programs of the Department of Regional Economic Expansion has been undertaken. In this review, the whole matter of designated areas will be studied very carefully by the department.

[*English*]

CONSUMER AFFAIRS—ALLEGED DELAY BY AUTOMOBILE MANUFACTURERS IN RECALLING CARS WITH DEFECTIVE PARTS UNTIL WARRANTIES HAVE EXPIRED

Mr. John Burton (Regina East): Mr. Speaker, last Tuesday I asked the Minister of Consumer and Corporate Affairs (Mr. Andras) whether his department was investigating cases of large companies, particularly automobile companies, which are possibly delaying recall notices because of defective parts until warranties or a large percentage of them have expired, having the effect of reducing the cost of replacing defective parts to the companies involved.

The reason for my question is a representation by a constituent in possession of a 1967 automobile. This man found he had a defective engine-mount part and subsequently learned by Canadian Press dispatch dated December 7, 1971, that General Motors had announced that the recall involved V-8 engines only. This was in regard to GM cars. It covered 1965 through 1969 regular sized Chevrolets and Novas as well as 1967 through 1969 regular sized Camaros and certain light trucks.

• (2210)

I understand from this release and articles appearing in various automotive publications that the recalled vehicles must still be covered by the General Motors' warranty. I understand there may be some confusion with regard to the extent to which they would be covered by the warranty. The person who contacted me informed me he received a letter on April 4, 1972, some four months after General Motors had announced it was recalling certain vehicles. That was after this person had made an inquiry of General Motors Corporation. I quote from the letter he received dated April 4, 1972:

> We would take this opportunity to explain that in the very near future, a letter will be sent to the owners of all 1967 Chevrolet automobiles involved in the engine mount recall, explaining the procedures to be followed for the installation of an engine restraint device.
>
> If the particular vehicle has exceeded the warranty limits, the inspection or replacement of any broken mounts will be the owner's expense, whereas the restraining device will be installed at no charge to the owner, regardless of time or mileage.

It seems to me this matter warrants investigation. I want to make clear I am not necessarily making charges against the automobile company involved; I am simply suggesting this is a case which warrants investigation, because it seems to me if the automobile company delays sending out recall notices it has the effect of reducing the liability of the automobile company in replacing the defective parts.

In this particular case I was informed by letter dated May 31 that this man had still not received his recall notice. That was almost six months after General Motors had issued its press release saying that these automobiles would be recalled. Thus, I think this is a matter which should be investigated by the Department of Consumer and Corporate Affairs. I want to say I appreciate the response of the Minister when he said he was prepared to look into the matter. I wanted to take the time this evening to elaborate on the facts of the case.

Mr. Gaston Clermont (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, in replying to the hon. member for Regina East (Mr. Burton) on behalf of the Parliamentary Secretary to the Minister of Transport (Mr. Duquet) I would like to make it very clear that my answer is limited to the responsibility of automobile manufacturers where recalls are initiated.

Under section 8 of the Motor Vehicle Safety Act, manufacturers, importers or distributors of motor vehicles are required to give notification of any defects in the construction, design or functioning of motor vehicles or their components which affect or are likely to affect the safe operation of those vehicles and of which the manufacturers, distributors or importers are aware. This notification of defects must be given to dealers and to subsequent purchasers of the motor vehicle in a prescribed manner.

While the conditions of section 8 of the Motor Vehicle Safety Act are only applicable to vehicles after the act was proclaimed on January 1, 1971, manufacturers do by virtue of other legal obligations follow this practice rigidly with respect to vehicles which were produced prior to that date. Thus, the notification of safety defects or recall campaign procedure is not related to the period of warranty to the production. To the best of our knowledge, manufacturers have been accepting responsibility for the cost of correcting such defects where the problems have been related to the design or production methods and the length of warranty is not in question.

Motion agreed to and the House adjourned at 10.18 p.m.

HOUSE OF COMMONS

Friday, July 7, 1972.

The House met at 11 a.m.

HOUSE OF COMMONS

TRIBUTES TO MR. SPEAKER

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, if I may be permitted to do so I would like to make reference on this, the last day of the session and probably of this Parliament, to the services rendered to Parliament and to freedom itself by you, Mr. Speaker, as the presiding officer during this and the previous Parliament.

Some hon. Members: Hear, Hear!

Mr. Diefenbaker: I do so as one who has served under several Speakers. What I am about to say represents, I think, the views of all members of the House who have been greatly impressed by the manner in which you have discharged your responsibilities.

I recall on one occasion a former Prime Minister, the Right Hon. Mackenzie King, saying in the House:

> There are under British parliamentary institutions two symbols of authority—the Crown which speaks of the sovereignty of loyalty, the Speaker who speaks of the sovereignty of Parliament.

Much could be said, of you, Sir, all of which would be complimentary, but I can summarize what I have in mind by quoting from the translation of the Latin words on the throne that you occupy:

> An impartial hand is an aroma
>
> Mindful and faithful,
>
> A mind conscious of rectitude.

• (1110)

You have discharged your duties with consummate ability. You have combined authority with compassion. The degree of impartiality you have displayed in the discharge of your duties has been such that you will always be looked back on by the present and future generations in this House as one who, in his person, epitomized the finest traditions of the Speakership.

I add one word respecting your wife who in the discharge of her duties has done so with a consideration and regard for the office you are holding and together you have honoured this institution.

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I might begin by saying that, as with many of the words of the right hon. gentleman from Prince Albert, his words today are very thoughtful, very well said, very appropriate. But as often happens I cannot necessarily see myself agreeing with the premise, that is to say, that this is the last day of this Parliament. I concede that I have less experience than the right hon. gentleman in such forecasting games, and therefore I am—

Mr. Lewis: You lost last week.

Mr. Trudeau: As the hon. member says, I was not correct as to the date on which Parliament or this session might end. But because I have great confidence in the right hon. member's political acumen, I am at least prepared to concede the possibility of his premise—

Some hon. Members: Oh, oh!

Mr. Trudeau: —and therefore find it appropriate to say on behalf of all members of our caucus that we have had constant admiration and respect for your authority, Mr. Speaker.

[*Translation*]

More particularly, although your talents as an orator are still unknown to most of us, your talents as Speaker are eminently visible. We have also been in a position, every day of this session, to see that we had good reason to respect your authority which was founded on a great deal of patience, much wisdom, an outstanding knowledge of parliamentary procedure and finally, on a sense of humour which always made us welcome your rulings even when they went against our wishes.

[*English*]

Mr. David Lewis (York South): Mr. Speaker, I have not had the very long experience in Parliament that the right hon. member for Prince Albert (Mr. Diefenbaker) has but I have had a little longer than the Prime Minister (Mr. Trudeau), although not very much. May I put it to you this way, Sir, that in my several years in Parliament I have often come to the conclusion that the sign of the real greatness of a Speaker is when the only people who occasionally become annoyed with him are ministers of the Crown.

Some hon. Members: Hear, hear!

Mr. Lewis: Mr. Speaker, I think it would be gilding the lily and uncomfortable and embarrassing to you if I went on at length. I say to you, Sir, that every one of my colleagues has had the greatest admiration not only for the manner in which you have carried out your duties but for the fairness and impartiality which you have always shown, for the dignity you have exhibited throughout, a dignity that, to your great distress, you were not able to get from the members of the House on occasion.

I also join the right hon. gentleman from Prince Albert in expressing my admiration of Madame Lamoureux and her companionship to you in your duties.

Tribute to Mr. Speaker

Some of us in my party at least, and I believe in other parties, had hoped that the admiration in which you have been held as Speaker would have persuaded everybody in the House to create a situation whereby you could continue as Speaker without having to fight elections on a partisan basis. I regret that this has not been done. I hope it may still be done, whether or not this is the last day of Parliament.

When we adjourn today, Mr. Speaker, I can assure you that all of us will return to our constituencies with a feeling of admiration, respect and, what is perhaps more important, very deep affection for you as a person and as Speaker of this House.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, on behalf of my Créditiste colleagues, I join the spokesmen of the other parties in expressing our admiration and thanking you for all that you have done for us in the past. I want to praise you not only for your fairness but also for your fine performance. May I thank you on behalf of the Canadian people, especially my constituents. I wholeheartedly agree with the kind words said about you and while voicing again our admiration, I wish you a long life and hope that you will again be with us at the next session.

[*English*]

Hon. Paul Hellyer (Trinity): Mr. Speaker, perhaps you would permit me, as your seatmate and as deputy leader of the independent group that sits in this corner of the House, to associate myself with the words that have been spoken by the right hon. member for Prince Albert (Mr. Diefenbaker), the Prime Minister (Mr. Trudeau) and the leaders of the other parties.

As a person who has had the pleasure of sitting in this House for many years I have come to respect and appreciate the wonderful contribution that you have made to this House and to the traditions that it embodies. It is not an easy task that you have filled so very well. It is a lonely position. Yet you have managed somehow to be kind but at the same time to be fair, to be gentle but at the same time to be just. This is a great tribute to you.

May I join in this expression of appreciation to you and to Madame Lamoureux who has stood by your side and who in her own right has made a very great contribution to the affairs of this country. May we wish you well, and health and happiness in the knowledge that you hold our respect and affection for the contribution you have made.

Some hon. Members: Hear, hear!

Mr. Speaker: Hon. members will have noted that today I have not complained of the length of speeches.

Some hon. Members: Hear, hear!

Mr. Speaker: Actually, I held back a little wondering whether there would be more contributors to the debate. If there are none, I will deliver a ruling. It will be a very simple one.

The words of praise that have just been spoken leave me speechless, which is obviously a very proper attitude for the Speaker. I will, therefore, simply say from the bottom of my heart a very sincere thank you to hon. members. I want to assure them of my appreciation not only for the much too generous words that have just been spoken but also for the extraordinary co-operation they have extended to me during my term of office as Speaker of the House of Commons.

• (1120)

We all know, of course, that the Speaker cannot discharge his responsibilities in this House without the complete co-operation of hon. members, without their understanding, tolerance and charity. This has been given to me in large measure. For this I am extremely grateful to hon. members.

[*Translation*]

I thank you, dear colleagues, for your unfailing generosity to me and I wish you all good luck.

[*English*]

ROUTINE PROCEEDINGS

VETERANS AFFAIRS

CONCURRENCE IN THIRD REPORT OF STANDING COMMITTEE

Mr. Maurice Foster (Algoma): Mr. Speaker, I should like to ask for the unanimous consent of the House to move a motion for concurrence in the third report of the Standing Committee on Veterans Affairs.

Mr. Speaker: Has the hon. member unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: As there appears to be agreement, the hon. member will be recognized for the purpose of presenting that motion.

Mr. Foster: Mr. Speaker, I move, seconded by the hon. member for Matane (Mr. De Bané):

That the third report of the Standing Committee on Veterans Affairs, presented to the House on Monday, June 26, 1972, be concurred in.

Motion agreed to.

* * *

MANPOWER

PROPOSED SUPPLEMENTARY WORK PROGRAMS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I rise to make a motion under Standing Order 43 on a matter of urgent and pressing importance. My motion is as follows:

That this House urges the Prime Minister to rise now, on motions, and outline to the House and to the country the four part

supplementary work program which the government had ready for presentation in early June, but has put off the announcement until early September, comprising—

1. A Canada Manpower Opportunities Program, to cost between $70 and $80 million in the first year, and to be operated by the Department of Manpower and Immigration.

2. An Opportunities for Citizens Program, to cost $120 million the first year, and to be operated by the Department of the Secretary of State.

Mr. Peters: What is the hon. member reading, a throne speech?

Some hon. Members: Hear, hear!

Mr. Hees: I continue:

3. Operation Retrieval—An operation aimed at reversing the brain drain to other countries, designed to appeal to youth, and to be operated by the Department of the Secretary of State.

4. New Horizons for the Aged, to be operated by the Department of National Health and Welfare.

The total cost of these programs to be between one quarter and one half billion dollars in the first year.

Mr. Speaker: Order, please. I hesitate at this point to suggest to the hon. member that he should indicate as briefly as possible what the motion is to be. I am not sure, actually, whether he is now presenting the motion to the House or whether this is a preliminary statement. If it is a preliminary statement I would hope he has reached the point where the motion could be indicated.

Mr. Hees: Mr. Speaker, I have just about reached the punch line.

Mr. Speaker: Order, please. It is the "punch" motion that the hon. member ought to read.

Mr. Hees: I continue. This program should be announced now so that the people of Canada may be advised of its nature and scope. The purpose of withholding its announcement until September is to maximize its usefulness for the election, and is blatantly political.

Some hon. Members: Shame!

Mr. Trudeau: You botched that one, George.

Mr. Speaker: Without commenting on the procedural aspects of the matter, I may say that hon. members have heard the motion proposed by the hon. member for Prince Edward-Hastings.

[*Translation*]

This motion requires the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[*English*]

Mr. Speaker: The hon. member has heard, as I have, that there is not unanimous consent.

[*Translation*]

INDUSTRY

TABLING OF COMMUNIQUE AND REPORT ON INQUIRY INTO ACRYLIC FIBRES

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, under standing order 41(2), I would like to table, in both official languages, copies of the press release and a report on an investigation concerning acrylic threads.

* * *

[*English*]

HEALTH

STATEMENT RESPECTING CONTINUANCE OF FEDERAL FISCAL CONTRIBUTIONS UNDER MEDICAL CARE ACT

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I wish to make a statement to the House with regard to the medical care program. Its purpose is simply to give notice, as required, under the statute.

Section 8 of the Medical Care Act obliges the government of Canada, at least six months before March 31, 1973, to review the amount and manner of payment of the federal fiscal contributions made under section 3 of the Act with a view to formulating proposals for any changes that may appear to be necessary or desirable with respect to the amount and manner of payment. This review has been conducted in the context of discussions with the provinces of the federal government's proposals in respect of health care financing.

I wish to state that the government does not propose any change at this time in the amount or manner of payment of the federal contributions referred to in section 3 of the Medical Care Act outside of the context of these discussions. The proposals under consideration, if implemented, would replace the existing formulae under both the Hospital Insurance and Diagnostic Services and Medical Care Acts.

Hon. J. A. MacLean (Malpeque): Mr. Speaker, as far as I am aware we had no notice that the minister was going to make this statement. That being the case, there will be no comment at the moment.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, the minister has not given us very much information but what he has given us causes me a good deal of concern. What the minister is really saying is that he is notifying the provinces that, while there may be no changes at the present time, the government does intend to discontinue the present financial arrangement and negotiate some new arrangement.

Certainly the discussions that have been going on with the provinces indicate that the federal government intends to reduce the basis of its contributions. They also indicate that the federal government, instead of paying roughly 50 per cent of the cost, would prefer some new formula which would place a larger share of the cost of health insurance upon the provinces. While some provinces of Canada might be able to carry a larger share,

there are parts of the country where an additional burden placed upon the provinces will mean that hospital insurance and medicare, as we understand them, will no longer be within the financial capacity of the provinces to carry.

I hope that before very long the minister will make a much more definitive statement as to the federal government's intentions with regard to its contribution to these health insurance programs.

* * *

TRADE

EFFECT OF USE OF UNITED STATES DISC PROGRAM BY AUTOMOBILE COMPANIES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise to move a motion under Standing Order 43. The motion arises out of the recent revelation that the Chrysler Corporation in the United States, in addition to the Ford Motor Company, is exporting cars into Canada under DISC in clear violation of the Canada-U.S. automotive agreement. Similar action could well be taken by General Motors with the production of 1973 models later this summer.

The government is permitting a complete undermining of the Canada-U.S. automotive agreement, thus jeopardizing the future job security of thousands of Canadians and facilitating a complete turnabout in the multimillion dollar Canada-U.S. automotive trade. Therefore I move, seconded by the hon. member for Timiskaming (Mr. Peters):

That this House condemns the government for its complete failure to take action which will ensure that violations of the Canada-U.S. automotive agreement cease.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The motion cannot be put.

ORAL QUESTION PERIOD

INDIAN AFFAIRS

BRITISH COLUMBIA INDIANS' CLAIM TO TITLE TO CERTAIN LAND AND COMPENSATION FOR LOSS OF BENEFIT—GOVERNMENT POSITION

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Prime Minister. It arises out of the visit of the British Columbia Indians and their meeting with the Prime Minister of one day ago. Does the Prime Minister recognize the principle of the claim of the British Columbia Indians to title to British Columbia land and, therefore, to compensation for loss of benefit from that land since there are no treaties covering that area?

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I can only repeat to the hon. member and the House the comments I made to the Indian bands and their chiefs yesterday, that they had presented the government with a long, documented brief, and it would take some time before the government, assisted by the Minister of Justice who was present during the presentation yesterday, would be in a position to respond to that brief.

• (1130)

Mr. Yewchuk: Bearing in mind this presentation by the Indians of British Columbia of a claim based on title, can the Prime Minister tell us whether a new body will be set up to deal with it or whether the present claims commissioner, Dr. Barber, will be asked to deal with the problem?

Mr. Trudeau: Commissioner Barber would not, I believe, be the one to deal with this type of presentation. It was not made to him; the brief itself, I believe, largely ignores the existence of Dr. Barber. This was a presentation made to the government, and it is the government itself which will have to study the brief and respond to it.

Mr. Yewchuk: Can the Prime Minister state whether he would favour a settlement of the British Columbia claim similar to the one which was made in Alaska by the United States government?

Mr. Trudeau: This was also mentioned in the brief; indeed, it was elaborated upon in a large section of the brief. As for the rest of the brief, I would have to study the arguments which were made before I could respond.

INQUIRY AS TO EXTENSION OF TERMS OF REFERENCE OF CLAIMS COMMISSIONER

Mr. David Orlikow (Winnipeg North): I should like to ask the Prime Minister whether the terms of reference under which Lloyd Barber, the Indian Claims Commissioner, is working have been extended by the government since his appointment?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, there has been no change in the terms of reference of Dr. Barber. However, some correspondence has been exchanged between Dr. Barber and myself. He was asking whether under his present terms of reference he could hear the Indian people make a certain manner of presentation. My answer was that I did not see that this would contravene the terms of reference as laid down in the Order in Council.

Mr. Orlikow: Is the Prime Minister aware that all the Indian organizations have taken the view that until the government gives some indication that it is prepared to consider their aboriginal claims there is no point in making submissions to Dr. Barber? Would the Prime Minister consider making an early statement with regard to this question so that Dr. Barber's mission may not be completely aborted?

Mr. Trudeau: The letter I wrote to Dr. Barber is one which I have authorized him to make public. I believe the Minister of Indian Affairs and Northern Development has

also made it public. In my opinion this met a large part of the problem. Not only have presentations been made before Dr. Barber but some awards, some recommendations, have been made by Dr. Barber. I should like to refer all parties in the House to the support they gave to the government's policy when it was brought in in 1969. I would remind them they all said that it was a very good policy except that it came a bit too late.

* * *

MANPOWER

PROPOSED SUPPLEMENTARY WORK PROGRAMS—TIME OF ANNOUNCEMENT—CONSULTATION WITH PROVINCES

Mr. David Lewis (York South): Mr. Speaker, I should like to ask the Prime Minister whether it is the intention of the government to announce, and, if so, when it intends to announce, the various programs to which reference was made earlier today, such as the manpower opportunities program, the opportunities for senior citizens program and the opportunities for citizens program? Has the government discussed these programs? Does it intend to announce them, and when does it intend to announce them?

Right Hon. P. E. Trudeau (Prime Minister): Some of these programs or, at least, programs under the names which were just recited, have been discussed. Others of them I do not recognize; perhaps they exist in projects under different names. We have discussed these matters and work is proceeding on them. As the Minister of Manpower and Immigration said yesterday, when we have reached a stage at which we can announce them, we shall announce them.

Mr. Lewis: Is it the intention to announce these programs before the winter so as to help municipalities or provinces as well as the people of Canada to deal with the unemployment which may occur during that part of the year?

Mr. Trudeau: Some of these programs are intended to deal not with the general problem of unemployment but with certain very particular aspects of it. I can assure the hon. member, and also the hon. member for Prince Edward-Hastings, that the reason some of them have not been announced as yet is that a fair amount of consultation with the provinces on some of their aspects had to take place. This is why some delay has occurred. In other words, had we received word from the provinces earlier we might have announced certain of these programs, but we have not.

Mr. Lewis: Is the Prime Minister suggesting that the federal government has already engaged in consultation with the provinces about these programs and that the provinces are responsible for the delay? I should like to know whether that is exactly what the Prime Minister is saying, because it is not so.

Some hon. Members: Oh, oh!

Hon. George Hees (Prince Edward-Hastings): I have a supplementary, Mr. Speaker. Is the Prime Minister telling the House that the provinces have all been consulted in the preparation of these programs aimed at alleviating unemployment?

Mr. Trudeau: As the leader of the New Democratic Party has just said, Mr. Speaker, that is not so.

Some hon. Members: Oh, oh!

Mr. Hees: It is certainly not so. The provinces have not been consulted. How many people does the government expect will be taken off the unemployment rolls when the programs I mentioned this morning are implemented early this fall?

Mr. Trudeau: I can only say that with or without these programs the hon. member will soon be added to the unemployment rolls.

Some hon. Members: Oh, oh!

Mr. Hees: Did the Prime Minister not learn on Tuesday that these smart, snide wisecracks do not pay off?

Some hon. Members: Oh, oh!

* * *

NATIONAL REVENUE

AVAILABILITY OF INCOME TAX FILES TO OTHER DEPARTMENTS FOR PURPOSE OF INVESTIGATION AND LAYING OF CHARGES

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Minister of National Revenue. On Wednesday I put a question to him regarding the use of information in income tax returns, particularly its use in court in connection with other matters by other government departments. Is the minister now in a position to make a statement on this whole subject in light of arguments which are now being advanced that information contained in income tax returns may be used by any other government department for purposes of administration, or in courts of justice?

Hon. Herb Gray (Minister of National Revenue): I do not think I can give an answer which relates to any matter presently pending before the courts, but I can say that the policy of the Department of National Revenue is to do only what is permitted under section 241 of the Income Tax Act and section 23 of the Statistics Act.

Mr. Lambert (Edmonton West): Has the Minister of National Revenue consulted with his colleague the Minister of Justice concerning the contention by the Department of Justice on behalf of the government that the Department of Justice may use such information as it sees fit for the purpose of public administration?

Mr. Gray: Not as yet, but I intend to do so as soon as possible.

Inquiries of the Ministry

PENITENTIARIES

REQUEST FOR RETURN TO CUSTODY OF FOUR FEMALE MEMBERS OF SONS OF FREEDOM DOUKHOBORS—REASONS FOR RELEASE

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is to the Solicitor General. What response has been made to the request of the Attorney General of British Columbia that four female members of the Sons of Freedom sect of the Doukhobors be returned to federal custody, and for what reasons were they released by the Commissioner of Penitentiaries?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, these people were granted temporary leave on medical grounds as three of them had been on a hunger strike since September 1970 and two others since August 1971. According to medical officers of the department and others who were consulted, their physical condition was very poor. It was a matter of life or death because they were fed forcibly through tubes.

We consulted the Department of Justice. Evidently, we had the right to force these people to eat, but not only in extreme cases where lives were jeopardized. On consulting Mr. Peterson, the Attorney General for British Columbia, we were told there was no objection although he did not want to be responsible for the final decision. We tried persuasion and we thought of commuting penalties, but we did not want to establish precedents. We consulted the Parole Board; they were not willing to grant leave. The only possibility left then, according to the law, was to grant temporary leave for medical reasons.

The decision was made public at the time and conveyed to the Attorney General of British Columbia who did not oppose it.

Four of those persons now face accusations before the courts. Another one is behaving very well indeed and Mr. Peterson has no objection to her continuing to enjoy her freedom. With regard to the other four, we are studying the possibilities open to us to ensure that they do not disturb society.

* * *

• (1140)

[*English*]

ENERGY

INQUIRY AS TO PUBLICATION OF STUDIES OF PROPOSED NORTHERN OIL AND GAS PIPELINES

Mr. Ian Wahn (St. Paul's): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. Does the government intend to publish soon the studies prepared by and for it relating to the financing and operation and the economic and environmental impact of the proposed northern gas and oil pipelines? If so, can the minister tell us approximately when he anticipates that these studies will be published?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I should like to thank the hon. member for giving me notice of his question. As I have indicated to the House several times previously, it would obviously be desirable to publish the studies on environmental questions. However, I would remind him that many of the programs and studies—there are approximately 30 studies mentioned in the documents tabled in the House—are still under way this summer and therefore none will be published before this summer work has been completed. However, I hope they will be toward the end of the year.

With regard to the studies relating to financing and actual operation of a line, these are not so well advanced and several agencies of government are responsible for them. Again I agree it would be desirable to have this information made public as soon as possible, subject only, of course, to the fact that internal or confidential documents probably should not be made public.

[*Later:*]

PROPOSED NORTHERN OIL AND GAS PIPELINES—REQUEST THAT NO DECISION BE TAKEN UNTIL STUDIES AVAILABLE

Mr. Max Saltsman (Waterloo): Mr. Speaker, my supplementary question is for the Minister of Energy, Mines and Resources. In view of the fact that these studies have not been published and some are not far enough advanced for publication, would the minister assure the House that no decision will be taken on construction of a pipeline until these studies are available for examination and debate by the public?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I think I have made it clear many times that the National Energy Board and the other agencies of government responsible will obviously not be in a position to make any decision until the end of this year. However, I would be glad to repeat what I said for the hon. member. I think it would be desirable that there should be the fullest public information, and this is why as soon as the work is completed, particularly when the field work is completed this summer, we will make the studies available.

* * *

NATIONAL DEFENCE

CLOSING OF LA MACAZA BASE—PROVISION OF JOBS FOR EMPLOYEES TO BE LAID OFF

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question for the Minister of National Defence which is somewhat related to the question asked about lay-offs at Camp Bouchard. Can the minister indicate to the House what steps the department and other government departments are taking to offset the very real difficulties that will be caused when over 200 people are laid off at La Macaza in September?

Hon. E. J. Benson (Minister of National Defence): Mr. Speaker, my department does try to move civilian personnel from one base to another. When a base is closing we do our utmost to do this if there are vacancies. Of course,

the manpower department contributes its services in order to try to find positions for people who unfortunately are laid off when a base has to be closed.

Mr. Forrestall: Can the minister indicate whether or not the government is making any attempt to find an alternative use for this base which might offer employment to these men?

Mr. Benson: Mr. Speaker, we are trying to find an alternative use for the base. Several approaches have been made. There has been consideration of an alternative use within the government. In addition, people outside the government have indicated interest. We will not be vacating the base, as my hon. friend knows, until September, but we do hope to find a new use for the base.

* * *

SCIENCE AND TECHNOLOGY

INQUIRY AS TO FORMAL AGREEMENT BETWEEN NATIONAL RESEARCH COUNCIL AND UNITED STATES COUNTERPART ON SHARING OF KNOWLEDGE RESPECTING ATOMIC ENERGY

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I am not sure whether to direct my question to the Prime Minister or to the Secretary of State for External Affairs, but perhaps the minister responsible would reply. Is the government seeking a formal agreement on scientific co-operation between Canada's National Research Council and its United States counterpart, similar to the agreement signed with the Soviet Academy of Sciences, for shared knowledge in the field of atomic energy? If so, what progress is being made for scientific exchanges with the United States?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as the hon. member knows, it has not been customary to have these kinds of formal agreements between the United States and Canada because such exchanges occur in any event. We have the utmost co-operation with the United States in a vast field of scientific, cultural and other matters. The United States and Canada have never felt that it would improve the atmosphere or the number of exchanges to have the sort of formal agreement which is customary with eastern European countries.

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AGRICULTURE

NORTHWESTERN SASKATCHEWAN—STEPS TO COPE WITH DROUGHT

Mr. A. C. Cadieu (Meadow Lake): Mr. Speaker, my question is for the Acting Minister of Agriculture. What steps have been taken to cope with the drought situation in northwestern Saskatchewan, as many farmers are having difficulty finding pasture for their livestock or hay to put up for winter feeding?

Hon. Otto E. Lang (Acting Minister of Agriculture): Mr. Speaker, I will have to take notice of that question.

Mr. Cadieu: To avoid these farmers being forced to put their breeding stock on the market, will assistance be given for the transportation of feed from other areas where they have had sufficient rain?

Mr. Lang: Mr. Speaker, there are a number of programs along these lines that come into play when very serious situations exist. The purpose of my taking notice of the question is to determine the extent to which the department has at this stage analysed the situation and the need, and therefore what programs will in fact apply.

RAPESEED—STEPS TO MEET THREATENED INFESTATION BY BERTHA BUG

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I have a question to ask in connection with rapeseed production. I direct it to the Acting Minister of Agriculture. It relates to the apparent danger of infestation caused by the Bertha bug or army worm which, according to agricultural representative Harry Lang, is more serious than last year since there are more moths than there were at the same time a year ago. What is being done in co-operation with the provincial Department of Agriculture to accelerate the campaign so that when the bugs eventually start to destroy the government will be in a position to meet the threat?

Hon. Otto E. Lang (Acting Minister of Agriculture): Mr. Speaker, the federal Department of Agriculture research operations together with the provincial Department of Agriculture are monitoring the situation using traps and similar devices to determine the extent of the infestation. They are also trying to keep the farmers alerted to the situation because a great deal will depend on individual farmers checking their fields for infestation. Lanate is available and, of course, farmers are being urged to use it at the first sign that its use is appropriate with the hatching of the worms.

Mr. Diefenbaker: Would the minister say whether or not a radio program is being carried on to the end that farmers become aware of what they ought to be doing at this time?

Mr. Lang: Mr. Speaker, a certain amount of use is being made of the media. I will certainly re-examine the question of whether this is adequate or needs to be intensified.

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VETERANS AFFAIRS

DISABILITY PENSION AND ALLOWANCE RATES—REQUEST FOR REFERENCE TO STANDING COMMITTEE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Veterans Affairs. Would the minister consider placing before the House later this day, on the understanding that it be passed without debate, a motion referring to the Standing Committee on Veterans Affairs the question of the basic rates of veterans pensions and allowances so that the matter could be considered by that committee during the recess?

• (1150)

Hon. Arthur Laing (Minister of Veterans Affairs): Mr. Speaker, I think it would satisfy the hon. member if I told him we had a meeting yesterday with the president of the Royal Canadian Legion and a number of his executives. We are exchanging letters on Monday by which our officials with his officials will work on such a committee doing the preliminary and factual work during the summertime.

Mr. Knowles (Winnipeg North Centre): I have a supplementary question, Mr. Speaker. While we appreciate the audience given to Mr. Smellie and his colleagues, would the minister not agree that my suggestion is one that would make it possible for the committee to meet if the minister found that was desirable?

Mr. Laing: Mr. Speaker, I would expect that this matter will be referred to the standing committee in the fall of the year, and I would expect that the preliminary work which is going to be done by the officials of the Royal Canadian Legion and our own officials would be a very necessary preliminary to any reference to the standing committee.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, in view of the fact that Mr. Smellie, the president of the Dominion Command, expressed quite intensely on television last night that there is great concern across the country on the part of veterans with regard to the basic rates of pensions and as it is doubtful that we will be meeting in the fall, would the minister take the initiative in the co-operative manner he has shown in the past and induce the House leader to meet with all parties so that the Standing Committee on Veterans Affairs could meet during the summer to take up this problem?

Mr. Laing: Well, Mr. Speaker, I cannot contemplate this place being empty until Christmas.

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CANADIAN BROADCASTING CORPORATION

SUGGESTED RECOVERY FROM CERTAIN EMPLOYEES OF INCOME TAX PAID ON THEIR BEHALF

Mr. A. D. Hales (Wellington): Mr. Speaker, I should like to direct my question to the Secretary of State who is responsible for the Canadian Broadcasting Corporation. We thought he might have been in the House today. However, I shall address my question to the Prime Minister. Are he and the Secretary of State in agreement with the report presented to Parliament on June 30 by the Public Accounts Committee? If so, has the CBC been requested to collect immediately from the 17 CBC employees involved the $135,000 paid on their behalf for personal income tax while they were employed in the United States?

Right Hon. P. E. Trudeau (Prime Minister): I would be delighted to take notice of the question, Mr. Speaker.

[Mr. Knowles (Winnipeg North Centre).]

AIR CANADA

CANCELLATION OF OPTION TO BUY CONCORDE PLANE—PURCHASE OF ALTERNATIVE EQUIPMENT

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to direct a question to the Minister of Transport. As it is reported that Air Canada has cancelled its option to purchase the Concorde supersonic transport aircraft, can the minister say whether Air Canada has yet decided on alternative equipment purchase plans or whether this decision represents a reduction in future planned capacity?

Hon. Donald C. Jamieson (Minister of Transport): No, Mr. Speaker, it does not represent a reduction. At the time this new aircraft was in the conceptual stage Air Canada, like all other airlines, took an option in order to get a delivery position should it choose that airplane. It has simply decided now against that particular design. In so far as its fleet re-equipping is concerned, the main new aircraft to be added are, of course, Lockheed 1011s, the first of which will be delivered in December.

Mr. MacLean: Mr. Speaker, can the minister say whether the acquisition of the Tri-Star jets is being restored to an acceptable program and what the effect is on the aircraft industry in Canada insofar as supply of components is concerned?

Mr. Jamieson: Yes, Mr. Speaker. This was a very important consideration at the time the decision was made. I could provide in writing to the hon. member the degree of component construction and related work being done in Canada as a result of the Lockheed contract. It is very substantial.

* * *

SHIPPING

INQUIRY AS TO MARINE POLICY

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I have a question for the Minister of Transport. The minister's ruddy seafaring complexion leads me to ask about the long-awaited marine policy within his department. Can the minister give us a progress report on the Darling recommendations on shipping and on the Ripley investigation thereof?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I have had by now, I guess, 15 or 20 separate sets of consultations. I think the hon. member is as aware as anyone in the House that there is absolutely no unanimity or consensus emerging. Quite honestly, I have not reached the point where I am able to make any what I might describe as comprehensive recommendations to my colleagues or to the House. The exploratory discussions will have to continue.

Mr. Bell: Mr. Speaker, does the minister not think it would bolster his image in the Maritimes if he could show some progress on a marine policy in the next few weeks?

Mr. Jamieson: Mr. Speaker, it is in fact within the Maritimes that the largest amount of disagreement actually exists.

ALLEGED LOSS OF CARGO BUSINESS FROM PORT OF VANCOUVER TO SEATTLE

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, I have a supplementary question I should like to direct to the Minister of Transport having in mind the recent representations of the longshoremen in the Vancouver area concerning the loss of cargo and business from that port to the port of Seattle allegedly due to the lack of sufficient modern facilities at the port. Can the minister say at what stage the consideration which I believe he is giving to that problem is? Does he have the matter under advisement and is there any hope for action on it?

Hon. Donald C. Jamieson (Minister of Transport): Yes, Mr. Speaker. I have received these representations and discussed them with some people in Vancouver on Tuesday. The National Harbours Board and the Fraser River Harbour Commission have both submitted proposals within recent days with regard to the establishment of container activities in and around Vancouver.

I have asked the heads of both these organizations to get together to see if their plans coincide, that is, if they are both logical. Just as soon as I hear from them I am prepared to give a favourable response to this container activity. I might say, with your indulgence, Mr. Speaker, that the irony of the situation is that I had a visit two weeks ago from the head of the United States Maritime Commission complaining that we were stealing far too much American cargo from them.

Mr. Speaker: I think I should remind hon. members at this point that we are running short of time for the question period. I would invite the co-operation of hon. members to make sure that between now and the end of the question period we try to limit the length of questions, the length of answers and the number of supplementaries.

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MANPOWER

NATURE OF PROPOSED OPPORTUNITIES FOR CITIZENS PROGRAM

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I do not know whether or not it is coincidental, but your warning came just before you recognized me. Be that as it may, I should like to ask the Prime Minister, because of the absence of the Secretary of State notwithstanding the roster system—that political prodigal son of the cabinet is still absent—a question concerning something the hon. member for Prince Edward-Hastings raised earlier about the particular program called Opportunities for Citizens. Is this an extension of the Opportunities for Youth program which the Secretary of State is administering or is it to be a separate program involving $120 million-odd on a full-year basis.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am glad to hear the hon. member acknowledge the existence of the roster system. I should point out to him that the Secretary of State is not due in the House today.

An hon. Member: He has not been here all week.

Mr. Trudeau: I know he has not been here all week, but I see only three members on the opposition front bench—

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Trudeau: As to the question itself, Mr. Speaker, I do not know.

Mr. Nowlan: In view of the commotion, Mr. Speaker, did the Prime Minister deal with the question and give it any type of answer? Since the Prime Minister is the one who provoked the situation about the continued absence, may I say I was quite aware, and prefaced my remarks by saying "notwithstanding the roster system", of the fact that the Secretary of State has been absent all week. I would like to know whether the Prime Minister is considering the resignation of the Secretary of State.

• (1200)

Mr. Speaker: Order, please.

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HEALTH

MEDICARE AND HOSPITAL INSURANCE—REQUEST FOR ASSURANCE THAT GOVERNMENT WILL CONTINUE TO CONTRIBUTE 50 PER CENT OF COST

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare arising out of the announcement he made on motions with respect to the notice that is being given to the provinces concerning the Medical Care Act. Can the minister assure the House that, irrespective of what negotiations may go on regarding certain formulas, the government will be providing to the provinces no less than the roughly 50 per cent it is now contributing to both the medicare program and the hospital insurance program after expiry of the six months period?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, in essence, yes. The concept under hospitalization and medicare remains the same. We are just suggesting a different formula for making the same payments we are making now. What the formula is really all about is the control of escalation in the future. I think the hon. member would agree that this is a useful exercise.

Mr. Douglas: I do not agree, Mr. Speaker. May I ask the minister now whether this means that the government is abandoning the position it has been taking, namely, that escalation shall be limited to the increase in the gross national product? In view of the fact that there is no relationship between illness and the growth of the gross national product, will the government continue to pay

roughly 50 per cent of the cost of providing these services to the people of Canada?

Mr. Munro: That is the aim and objective, inasmuch as this whole formula is being worked out with the provinces so we can agree on it jointly. It is not designed in any way to reduce the effectiveness of health care for those who are ill. However, what it does do, I believe, is to cut out a lot of waste and inefficiencies that have been pointed out in various studies.

MEDICARE—POSSIBILITY OF WITHDRAWAL OF FEDERAL GOVERNMENT FROM SCHEME

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I have a supplementary question. I wonder whether the minister could indicate whether the government has any intention of withdrawing from the federal-provincial agreement on medicare within the next five years or so?

Hon. John C. Munro (Minister of National Health and Welfare): No consideration has been given to that by the government, Mr. Speaker. If some government at some future time wants to consider it, that is their option.

MEDICARE—INCREASE IN SERVICES COVERED

Mr. John Gilbert (Broadview): Mr. Speaker, may I ask the minister whether there will be a reduction or an increase in the services that are covered by the scheme under the new formula?

Hon. John C. Munro (Minister of National Health and Welfare): Yes, Mr. Speaker, one of the elements of the formula was to add the cost of optometric services that we would be prepared to share and which is over and above what we do now.

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THE CANADIAN ECONOMY

INCREASE IN COST OF LIVING—GOVERNMENT ACTION

Hon. Paul Hellyer (Trinity): Mr. Speaker, I have a question for the Acting Minister of Finance and it relates to the announcement this morning of a further increase in the cost of living. Does the government have any new plans to curtail inflation and to stop the further erosion of the Canadian dollar?

Hon. Jean-Luc Pepin (Acting Minister of Finance): Mr. Speaker, the cost of living for June rose by 0.1 per cent, bringing the index to 4.1 per cent above the June, 1971, level. My information indicates that consumer prices did not rise as much this year as the normal May-June increase which, historically, is the period of one of the largest monthly increases in the year. The increase this year was very low indeed.

Mr. Hellyer: Is the minister aware that with the present trend in wage settlements, and in view of the productivity rates in the country, within 12 years the total benefit from the Family Income Security Plan will be wiped out for the

poorest Canadians and much sooner than that for everyone else.

Mr. Speaker: Order, please.

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MANPOWER

MANPOWER CENTRES AND UNEMPLOYMENT INSURANCE OFFICES—REASON FOR CO-ORDINATION OF ACTIVITIES

Mr. Raymond Rock (Lachine): Mr. Speaker, in the absence of the Minister of Manpower and Immigration I should like to direct a question to the right hon. Prime Minister concerning a statement made by an official government spokesman yesterday to the effect that the Canada manpower centres and the Unemployment Insurance Commission will mesh their activities across Canada. Is this being done because the government anticipates a greater increase in unemployment?

Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I know that some measures have been taken to co-ordinate the services of these offices in order to help better those who are unemployed or who are looking for other jobs or retraining.

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ADMINISTRATION OF JUSTICE

ALLEGED INVASION OF PRIVACY BY IDENTSEAL THUMB PRINTING SYSTEM—INQUIRY AS TO LEGALITY

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Justice. In view of the statement a few weeks ago that Identseal, an American company, had announced plans to introduce a thumb printing system in food chain stores in Ontario and Quebec—the service is already operating in Alberta—and that the information derived from it will be stored in a Texas computer, can the minister say whether he has investigated the legality of such a practice since it would seem to be a violation of people's privacy? Is he considering prohibiting the introduction of the practice?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, as I understand it, the practice referred to is a voluntary one. I have not investigated the legality of it. The government generally is examining the whole question of information which may be involved in computer operations, but that is a fringe subject so far as the question the hon. member is raising is concerned.

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COMMUNICATIONS

DATA BANKS—INQUIRY AS TO ANNOUNCEMENT OF GOVERNMENT POLICY

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, may I ask the Minister of Communications whether he has

investigated the matter, and can he tell us when the government policy on data banks will be announced?

Hon. Robert Stanbury (Minister of Communications): Mr. Speaker, the Department of Justice and the Department of Communications are working on a joint study of computers and privacy. I hope it will be completed during the summer and will be available for public discussion.

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TRANSPORT

ALLEGED DELAY IN DREDGING TO ASSIST LINERBOARD COMPANY

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I want to revert to the important province of Newfoundland and ask the Minister of Transport whether, in view of the fact there is evidence of delay in supplying support facilities to the important linerboard industry, the minister would indicate to the House, since this contract should be fulfilled by the end of July, if he would look into the matter, or has he ascertained whether we can provide the dredging facility so that the mill can go into production on schedule?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I have looked into the matter and I have instructed that the work be done as rapidly as possible. I should point out to the hon. member, however, that we received this request only about a month ago, and also that the company involved was cautioned not to bring a ship of the current size to that area as early as this because the dredging could not be completed in time.

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SCIENCE AND TECHNOLOGY

NATIONAL RESEARCH COUNCIL—POSSIBLE CHANGE IN ROLE—GOVERNMENT POSITION

Mr. D. Gordon Blair (Grenville-Carleton): Mr. Speaker, I should like to ask a question of the Minister of State for Science and Technology. Is the minister aware of concern caused to the National Research Council by persistent sniping in reports of parliamentary committees and other organizations and the resulting speculation about its future, and is he prepared to give an assurance that the important work of the council and its morale will not be detrimentally affected by these speculations?

Hon. Alastair Gillespie (Minister of State for Science and Technology): Mr. Speaker, I should like to thank the hon. member for giving me notice of this question. I am aware and have been told of the concern of members of the National Research Council in respect of their future, based, I think, on their reading of reports and various suggestions from the Lamontagne Committee and from the recently retired chairman of the Science Council of Canada, as well as from NRC itself regarding various changes in their role. I should like to assure the hon. member that these suggestions are under study but that no decision has been made.

TRANSPORT

FREIGHT RATES—SUGGESTED REDUCTION TO ENABLE ESTABLISHMENT OF INDUSTRIES ON PRAIRIES TO PROCESS RAPESEED

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Transport. With rapeseed today becoming a major element in the western economy, we find ourselves in a position where unfair freight rates against prairie processed finished products, such as oil and meal, make it virtually impossible for industries to be established on the Prairies. I would ask the minister whether, with the support of the Minister of Supply and Services, he would have a representative go before the Canadian Transport Commission to support the stand that western Canada deserves the opportunity to have these industries and that freight rates should be greatly reduced in order to aid the establishment of industries on the Prairies?

• (1210)

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I can assure the right hon. gentleman that I share his sentiments and that I have on a number of occasions publicly indicated my wish to see reductions. However, I think he would also agree that it would be inappropriate, as the source of any appeal from a CTC decision, for me to take an active part in the case that is before the commission.

Mr. Speaker: Order, please. We have just about reached the end of the question period. Before calling orders of the day we might recognize a few hon. members for one or two quick questions.

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SPORTS

POSSIBLE ENTRY OF UNITED STATES TEAMS INTO CANADIAN FOOTBALL LEAGUE—GOVERNMENT POLICY

Mr. John Burton (Regina East): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. Does the government have any policy with regard to the possible entry of American teams into the Canadian Football League, as well as the possible invasion of other areas of Canadian football by American interests? Have he or his officials discussed related aspects of this matter with the Canadian Radio-Television Commission?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, we have not, to my knowledge, discussed it with the commission. There was some discussion some time ago with the CFL itself when its commissioner was concerned about the problem. I indicated that we would not like to see this development occur in Canada. It is not clear at this stage what we could do about it in a concrete way, if we decided to do anything.

Inquiries of the Ministry

STATISTICS CANADA

REASON FOR ALLEGED DISCREPANCY IN UNEMPLOYMENT STATISTICS FOR CERTAIN REGIONS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I wish to direct a question to the Minister of Industry, Trade and Commerce who, I believe, is responsible for Statistics Canada. Information reveals that there is a discrepancy in unemployment statistics for the Atlantic region, the prairie region, and the British Columbia region. Can the minister tell the House why there is a discrepancy between the unemployment figures published by his department, the Bank of Canada and the Department of Finance?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, if I knew that, I would be the head of Statistics Canada. I will look into the matter and write to the hon. member.

Mr. Alexander: As a supplementary—

Mr. Speaker: Order, please. The Chair will recognize the hon. member for a supplementary, but hon. members must recognize that we have gone beyond the time allotted for the question period and the Chair will have to call orders of the day in a moment.

Mr. Alexander: I note that the minister will look into this matter and make a statement, but in order to clear away the confusion can the minister say now to which department should we look for the correct figures?

Mr. Pepin: I will add a footnote to my letter.

RETURNS FROM SMALL BUSINESSES—REQUEST FOR ASSURANCE THAT COURT ACTION WILL BE LAST RESORT

Mr. A. D. Hales (Wellington): Mr. Speaker, my question also deals with Statistics Canada. In view of the fact that a very well known and respected feed grain and mill operator in my part of the country was fined $100 for not filling in and returning a Statistics Canada report, can the minister say if a concentrated drive is being undertaken by Statistics Canada to have all such forms completed and returned? If so, would the minister see that every possible chance is given to small businesses so that they will not be harassed and taken before the courts?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I can assure the hon. member that this is done. It is only after numerous attempts have been made to secure the information and with extreme reluctance, the minister having tears in his eyes, that legal action is taken. As a matter of fact, whenever this is done it comes to the minister's attention and the minister makes sure that it is really an extreme case.

Mr. Hees: Does the minister not realize that this never happened under the previous government?

Mr. Speaker: Order, please. The hon. member has had the last word. Orders of the day.

[Mr. Munro.]

GOVERNMENT ORDERS

FAMILY INCOME SECURITY PLAN

MEASURES TO PROVIDE BENEFITS IN RESPECT OF CHILDREN

The House resumed, from Thursday, July 6, consideration of the motion of Mr. Munro that Bill C-170, to provide for the payment of benefits in respect of children, be read the third time and do pass, and the amendment thereto of Mr. Knowles (Winnipeg North Centre) (p. 3655).

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, last night before ten o'clock I was appealing to all hon. members to realize that while the bill contains many errors and inequities its objective is to provide increases in benefits to the hundreds of thousands of poverty stricken children in this country. Surely, it is time that we got the message. I am tired of repeating it here so often. With all our rich resources, both material and human, there is still one-fifth of our population living in poverty and we do not seem to be able to cope with the problem. Surely we ought to have the common sense to realize that if we do not direct our efforts towards helping the children in the poverty stricken category, we will continue to have these same problems that we discuss almost daily in the House of Commons because these children with grow up to be poverty stricken adults. This will result from the government's failure to deal with its problem. Over the years many speakers have pointed out the government's inability to cope with the problems of the nation. Will someone stop and realize that it is the people of Canada, whether they be affluent, middle class or poor, who will judge the government's capabilities, and decide whether or not this bill is acceptable?

When are we going to realize the importance of our youth? When are we going to show a little bit of statesmanship by living up to the promises we make and fulfilling our responsibilities to the people we represent instead of continuing the political debate that goes on here? I have not heard anyone say anything about the children who will benefit under the provisions of this bill. I urge hon. members to think for a few moments about this. After listening to the debate it has become evident to me that some hon. members do not have poverty in their constituencies. Evidently many Members of Parliament do not visit the poorer sections of their areas, and see the shameful existence of too great a proportion of our citizens.

It is interesting to sit here and listen to those Members of Parliament who seem to have all the answers, those who know everything about everything, those who talk about what should be done and how it should be done. I listened carefully to the hon. member for Trinity (Mr. Hellyer) give his advice on what should happen to make this country of ours a better place in which to live. He called the bill stupid, idiotic and incompetent. I agree that the bill has some terrible errors in it, but as the hon. member for Vancouver-Kingsway (Mrs. MacInnis) said last night, there is still time to correct some of the errors. I remind the hon. member for Trinity that this bill, or various versions of it, has been hanging around since the

famous white paper on income security issued in 1970. Why did the hon. member for Trinity not speak up at that time rather than waiting until the report stage of the bill last Tuesday? He said that the bill filled his heart with despair. It fills my heart with despair when I get letters from constituents telling me they cannot afford to take their children to hospital, and that since they cannot pay school fees a school board will not allow their children in school.

The hon. member for Trinity called for guaranteed annual work instead of a guaranteed annual income. He and the leader of the NDP called for a reduction in the unemployment rate from 6 per cent to 3 per cent, and said if this were achieved there would be no need for welfare. I heartily agree with them, but how do we bring this about overnight? Surely, there are enough indications that the government has not been able to accomplish this objective. What are we going to do in the meantime? What are the thousands of poverty stricken children to do in the next number of years while waiting for the experts to provide a Shangri-la? The hon. member for Trinity also said that we should have a higher minimum wage—again I agree—and that our wealth should be distributed across the various regions. These are wise words and I agree with him, but I ask him when and how can we expect this to happen with this government? I ask him why this did not happen when he had some influence for some years in the cabinet? The member mentioned in his speech the other day the visits he made to garden parties, his talks on TV and interviews with many employees who said they would not work any extra overtime because they would lose all or most of it in taxes.

• (1220)

Well, I do not visit too many garden parties in my district, Mr. Speaker, and I do not appear on TV very often, but I can tell you I visit lots of homes in my district and I see first hand the conditions under which too many of our Canadian children are living. I talk to parents who wonder where the justice is, where all the employment is and where are all the hundreds of thousands of homes that the Minister of State for Urban Affairs (Mr. Basford) tells us he is building for Canadians. I do not see any flurry of excitement in my district, Mr. Speaker, about building homes. Yes, Mr. Speaker, and while I am here in Ottawa I get hundreds of letters every week begging for help. These people do not have enough money to heat their homes, or money to buy food. I invite anyone here to come to my office and see these letters, Mr. Speaker. What am I to tell these people? Do I tell them to wait a few years more and we will reduce the rate of unemployment to 3 per cent. do I tell them to wait until we distribute our wealth in a more fair fashion? Do I tell them to wait until we find jobs for everyone?

I get very angry, too, when I hear that people on welfare do not want to work. I say that this is as irresponsible a comment as anyone can make. Again I say to anyone, come and look in my files and read with distress the number of letters I get from people who do not want to go on welfare and refuse to do so at great sacrifice.

Some hon. Members: Hear, hear!

Mr. Marshall: I get hundreds of letters from people on welfare begging for any kind of a job in order that they may provide a better start for their children. No, Mr. Speaker, it is time we forgot about statistics and reports and studies on poverty, and remembered that we should start to think about our responsibility to give some humane consideration to this problem. We should be ashamed to have to admit that in this supposedly wealthy country of ours, one fifth of our population is living in poverty. This is a situation that must be corrected. There are too many children in this country in this category of our population who will continue to live in poverty, undernourished, living in hovels, with little or no medical care. Unless we provide for them, they will grow up in continued poverty, without proper development and education. This will mean that they will continue in poverty as adults, and it will be our fault in view of all the lessons we should have learned.

It has become obvious throughout the many committee meetings and debates, that the children of this country who need help will have to wait until next summer. The amendment introduced by the hon. member for Winnipeg North Centre (Mr. Knowles) gives us the opportunity to show our concern and deal with some of the weaknesses of the bill at further committee meetings over the next couple of weeks without interfering with the ability of the minister's department to get the mechanics in motion and avoid further delays. Surely the minister would agree to this proposal, Mr. Speaker, and I say we should meet, even on Monday morning. At the same time, Mr. Speaker, the bill takes us part of the way towards reducing poverty and directing our efforts to the many people who will get benefits. In spite of the inequities in the bill, some of which will be a horrendous nightmare for the administrators as I pointed out last night, I hope we will vote for this bill because we are concerned for the poverty-stricken citizens of our country. The minister and the government evidently feel it is a good bill, but I am sure that many of their members do not agree.

If we, as Members of Parliament, and even the people of Canada who will not benefit from the bill, have any feelings within us to make a better Canadian nation, our efforts and our resources must be directed toward those who cannot provide for themselves. I apologize, Mr. Speaker, for pointing out that there is a military lesson which I learned many years ago which indicates that no army can advance any faster than its slowest or its weakest elements. With our richness in material and human resources, our country cannot grow and progress while one-fifth of our population remains hindered by its inability to keep up with our progress. I say, Mr. Speaker, that it is our duty and it must be our duty as a state, to provide for the weak and to support the measure before us today.

Mr. Bill Knight (Assiniboia): Mr. Speaker, may I begin by complimenting the hon. member who just finished speaking for an excellent and compassionate speech on behalf of his constituents. I should like to point out, however, that many of us in this House, regardless of party, have people who find themselves at the poverty level and we, too, receive these letters setting out their problems. He gave an excellent outline of the bill, but with all due respect I disagree with his conclusion on how one should

vote on this legislation, particularly after all his criticism of it.

This has been an involved debate extending over several months, Mr. Speaker, and there have been a number of interesting developments since the bill was originally introduced by the minister. We find from his answers to questions in the House and his statements outside, that this is part of an over-all program to bring selectivity into programs dealing with the health and welfare of Canadians. The amendment moved by my colleague introduces the concept of such services as the family allowance being a social right for all Canadians. I suppose that is the core of the most important factor in this entire debate. In the debate, the question of the administration of the bill has been raised, as well as the question of whether it really helps the lower income people.

When speaking in Quebec, the Minister of National Health and Welfare (Mr. Munro) made a very interesting statement while attempting to defend his bill. The headline in the Montreal *Star* of June 21 reads: "Middle-Class Must Pay For Welfare Benefits" and the article reads in part:

> He said there are not enough of the "super-rich" in Canada to pay for all welfare benefits, so most of the necessary money has to be paid by the middle-class—those who provide the overwhelming majority of the tax revenue.

Later, the article continued:

> After his speech, Mr. Munro told reporters that increased taxes on the income of wealthy individuals and corporations would discourage incentive among individuals and harm the competitive position of Canadian industries in foreign markets.

Hurt what incentive, Mr. Speaker, private initiative? Every time there has been a concept of social legislation in this country as well as in Britain, we have consistently heard the cry that we heard on the old age pension scheme in 1926—it was going to hurt incentive. Now, the minister who is in charge of these programs for the whole country allows himself to get caught in that kind of discussion and debate. According to the last federal budget, in 1972-73 the corporations of Canada will contribute 15 per cent of the total federal revenues. At the same time the government will pay out 15 per cent of all federal expenditures to the corporations. This means that the contribution of the multinational corporation to the economy of Canada is zero, yet the minister has the audacity to say in Quebec that the middle-income group will have to carry the burden of all such programs. He ignored the fact of the revenue—

• (1230)

Mr. Munro: Mr. Speaker, I rise on a question of privilege. Eloquent as the hon. member is, I am sure he wants to be accurate. I suggest that newspaper headlines are not speeches. I do not know whether he read the speech; judging from the hon. member's comments, I would say he has not.

Mr. Knight: Mr. Speaker, I looked at the speech and at the newspaper report. I was not referring only to the headlines, being well aware from personal experience that headlines may be quite inaccurate. Allow me to read this paragraph, Mr. Speaker:

[Mr. Knight.]

> After his speech, Mr. Munro told reporters that increased taxes on the income of wealthy individuals and corporations would discourage incentive among individuals and harm the competitive position of Canadian industries in foreign markets.

Mr. Munro: That is an oversimplification.

Mr. Knight: The minister may claim that is oversimplified, but he is alleged to have made those remarks. Those remarks, even if oversimplified, are pertinent, since the Minister of National Health and Welfare is charged with the responsibility for social welfare programs, which include family allowances and medical care schemes, to which the provinces contribute in part.

Next, may I read what the Special Senate Committee on Poverty had to say on page 46 of its report entitled, "Poverty in Canada":

> The popular notion that our tax system takes from the rich to give to the poor is a myth. Before the 1940s, during the Great Depression, there was some indication that an equalizing trend was taking place in the total amount of income shared before transfers. However, research done by the Royal Commission on Taxation (1966) demonstrates that, since the 1940s, our tax structure had surprisingly little effect on the profile of income distribution already described.
>
> Governments rely on a regressive tax structure as a source of public revenue. (Regressive taxes are those which take away a higher proportion of income from the low-income groups than from the high-income groups.)
>
> An examination of Table 18 shows that 56.5 per cent of the income of those earning less than $2,000 (before transfer payments) goes to paying taxes. If social-security contributions are included, this becomes 60 per cent of their income. By comparison, those with incomes over $10,000 pay only 37 to 38 per cent in taxes.

Let us remember that at one time individuals and corporations contributed about equal amounts in taxes. The trend in tax collection now is for corporations to contribute less than individuals. The corporate tax burden has been reduced by approximately 22 per cent, and the burden on the individual taxpayer correspondingly increased. With that in mind, I suggest the House ought to accept the amendment of the hon. member for Winnipeg North Centre (Mr. Knowles) which, if accepted, would maintain the universality of this program.

May I point out that the minister, when making his speech in Quebec, was illogical in saying that the money for financing this program must come from the middle income group. After all, the government party and the official opposition are the captives of the corporate interests of this country and will carry out their policies. They will not introduce a tax system which will more justly raise revenue from all citizens of Canada, including those with corporate interests.

A professional person such as a school teacher with $10,000 per year in taxable income must pay $2,285 in taxes to the federal government. If somebody makes $10,000 in taxable income from a capital gain, that person will pay tax on only half that gain, the tax being $833. On the other hand, if a man receives $10,000 in taxable income from a Canadian registered corporation, he will pay on that $10,000 not $2,285, not $833, but a mere $193 or less. That is the kind of just society this government represents.

Mrs. MacInnis: And it will be worse.

Mr. Knight: As the hon. member says, it will be worse. The middle income groups, those families earning $7,000, $11,000 or $12,000, will lose, for the most part, the family allowances that were introduced by a previous Liberal government and paid as a social right. At the same time, some in the middle income groups have been forced to contribute to unemployment insurance, even though the Unemployment Insurance Commission will do little for them. Such contributions are restrictive in that they decrease peoples' incomes.

Let us not fool ourselves by assuming that it will be easy to draw the line under the new family allowances program and say one family is justified in getting benefits and another is not. Consider, for instance, the situation of the farmer, and compare it with that of the teacher or the industrial worker. There is a time in people's lives, mostly when they are between 20 and 35, when they are trying to get established. Some people, even though they make $7,500, $8,000, or $8,500, at one time in their lives incur the expense of raising children. That is when they need family allowances. This program, which is to be based on selectivity, will reduce the incomes of those individuals. The family allowance under the old legislation was paid as a social right, and for many it is to be curtailed. Allow me to point out some of the figures involved.

A family, with one child, earning $4,500 a year will get $20 under this program. A family, with one child, earning $6,000 a year would get $15.05. If we assume in all cases that the family has one child, at $7,000 it will get $11.75; if it earns $8,000, it will get $8.45; if it earns $9,000, it will get $5.15; and when it reaches $10,000, in theory it will get $1.85 which is not payable.

Let us now consider a family with two children under 12 years old, since that is where the maximum benefit would be available. With an income of $5,000, it would receive $30; with $6,000, it would get $23.40; with $7,000, $16.80; with $8,000, $10.20; and with $9,000, $3.20. It must be remembered that for every increase of $100 in income the basic family allowance decreases by 33 cents. That is an added complication. Also, every time a child reaches 12 and enters the higher age bracket, the department must be notified. The amount of family allowance receivable will be changed. All this involves administrative work. When a child is born, the parents must inform the department and every time the family's fortunes change notification must be sent to the Department of National Health and Welfare. When income falls, the family must notify the department in the hope of obtaining a greater benefit; and when income increases, it must also notify the department. This is all very complicated. I do not know who was involved in the drawing up of this program.

Mr. Benjamin: Some nut.

Mr. Knight: Apparently, nobody considered the way business may fluctuate in rural areas. A farmer's income from one year to the next may vary by thousands of dollars. In one year, if grain is not moving and quotas are not opened, his income may fall to near the poverty level. In the next year, if grain moves and quotas are opened, his income, even though prices may be depressed, may be greater by several thousands of dollars. So, from one year to another there will be substantial fluctuations in economic conditions in rural areas. These fluctuations will make the administration of the plan a nightmare. When this program comes into operation—

Mr. Benjamin: If it comes into operation.

Mr. Knight: —I dare say Members of Parliament will be swamped with letters from irate mothers complaining about the application of the program and the almost immeasurable difficulty in getting payments.

• (1240)

Several days ago the Minister of National Health and Welfare stated in this House that this plan would work as easily as the old age guaranteed income supplement. There are a number of points that ought to be made with regard to the guaranteed income supplement. By the time people reach the age at which they receive the old age pension and the guaranteed income supplement, there is not the same fluctuation in their income as there is in that of young families between the ages of 20 and 35 or 40. The minister should not forget that.

In 1971, some of my constituents received so much a month for the basic old age pension plus the guaranteed income supplement. They received something like $115 or $117 a month. In April of this year, they found that $10 had been deducted. The same was done in May. No one told them the reason for this. They were not told that they were overpaid last year and that it was a mistake. It was not the fault of these people that they were overpaid, it was the fault of the administration. That is a minor problem in terms of the old age pension. It will be one of the major problems this legislation will create.

The unemployment rate in this country is 4.9 per cent. There are 512,000 people unemployed. We are aware of the job creating programs of this government. However, I do not see the need for developing a new bureaucracy in the Department of National Health and Welfare. Double the number of employees will be required to handle this inadequate and incomprehensible program. This program has been designed to bolster the poor of this country. The minister did not refer to any provision that would prevent the provincial governments making a readjustment under the Canada Assistance Plan so that if these payments increase, the poor people, those who rely on welfare, will have their payments reduced by the provincial governments under the Canada Assistance Plan. That is another inadequacy of this legislation.

The minister should consider the fact that his name and his record as Minister of National Health and Welfare will be connected with this piece of legislation. If and when it goes into operation on a selective basis, we on this side or on whatever side of the House we happen to be, will constantly remind him what he was told during this debate because we will have hundreds of letters on our desks setting out the problems involved in carrying out this legislation. I can assure the minister that I will be in his office quite often.

This country developed a social system, which is not by any means perfect, based on the concept of universality. It is based on the concept that family allowances are a social right. This allowance has been paid to the mothers of this country. In a sense, it represents an income and a respon-

sibility for them. To teach their children responsibility, the mothers often gave them the family allowance. In my family, the money was set aside for my university education. This was fundamental; it was very important and the money was very helpful.

With a program of selectivity, one million mothers in Canada will no longer receive family allowance payments. This is incomprehensible in the light of the manner in which the program was introduced. It is difficult to understand, considering the fact this government was elected in 1968 on the concept of a just society. Since this government has taken office, it has divided Canadians into the haves and have-nots. This government claimed it would hold this nation together. It has driven more wedges between the different sections and elements in this country than any government before it. This program, which is based on some kind of selectivity, could only be outlined by a technocrat sitting in an ivory tower deciding in a statistical manner how to deal with the people of Canada. Let us not forget that this government will be held responsible for this legislation.

It will be interesting to note how many thousands of dollars will be spent on publicizing this plan. A great deal of advertising was necessary this spring when the old age security plan was changed. In answer to a question which was placed on the order paper, the hon. member for Yorkton-Melville (Mr. Nystrom) was advised that hundreds of thousands of dollars had been spent on advertising and promoting that program. That will be a minor cost in comparison with what will be involved in trying to explain this program to the people of Canada. It will take a horde of Philadelphia or Toronto lawyers to figure this out. Even then, I am not sure they will be able to do it.

I would be interested in seeing the Minister of National Health and Welfare trying to explain and justify this piece of legislation to his constituents. After the very concrete criticisms and proposals which have been made by the New Democratic Party with regard to this legislation, I cannot conceive the logic or the reasoning of the minister in continuing with this program as it is now proposed. I hope he will see fit to support the amendment we have moved, a reasoned amendment based on universality and social right. The minister need not be concerned that should he accept this amendment we shall turn round and say: "We told you so". If he accepts the amendment I shall publicly praise him for his honesty and his strength. I want to tell the hon. member for Essex-Windsor (Mr. Whelan) that if he will support our amendment I will do likewise. I believe this is a fundamental change in the restructuring of our social system. We are moving away from the concept that everyone has a right to receive such things as family allowances. We are dividing the people into the haves and the have-nots. We are putting labels on the haves and telling them they must bear the cost of bolstering the have-nots. It is a fundamental concept of ours that the vested interests of this country should carry their fair share of the tax burden.

• (1250)

I have outlined our reasons for opposing this bill and for supporting the proposal put forward in this amendment. I truly hope, as I have already stated a couple of times, that the minister will give consideration to the proposition we have advanced.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, my hon. friend, the member for Assiniboia (Mr. Knight) has eloquently outlined the reasons that I think are valid to all Canadians for objection to the selectivity being proposed by the government.

We are very much in favour of raising the family allowance. We have been in favour of this ever since I came here. I can remember having a meeting with union members in my area, a very strong element. They believed they should support any candidate who would endorse the programs in which they were interested, and even 15 years ago they were asking that family allowances be increased. I think I was able to get some of their support by agreeing that family allowances should be continued.

What really worries me is that the minister made a statement again today indicating that there would be a change in the amount the federal government is willing to put into some of the universal schemes which have been developed with the co-operation of the provinces. The government has also been making noises, not very coherent noises admittedly, about a guaranteed income which will get rid of much of the whole morass of government departments.

It was interesting to make a phone call yesterday to a provincial welfare administrator in my area asking him to intervene with a municipality over a temporary allowance to be given to a young fellow who unfortunately is in the Orillia School and has gone home. Unfortunately, he is over 21 and loses the advantage he had, which is provincial care while in that institution. While he is home for two months he cannot get a disability pension, although he is obviously disabled, because it takes six or eight weeks to get it from the provincial authorities so he will have to go to the municipality. That problem is duplicated in every office of every Member of Parliament almost every day.

There is a desire to get rid of this morass of detail, the slight difference between this program and how it interrelates with a fifth program, and so on. The government has been talking about doing something about this problem by the development of a guaranteed annual income. The Social Credit party said recently that it favoured the payment of an income to everyone in Canada based on a flat rate. I wish it were as simple as that. I should like to see an arrangement by which we could pay everybody a subsistence allowance. Then the tax structure would reclaim unneeded amounts. I suggest that if the government had thought about a guaranteed annual income, they would now be in a position that it could not be universal because I am sure there would be a needs test, a means test, an income test or a blood test which would be necessary before you could get that amount of money. That is what is wrong with the system.

We are really saying we cannot afford to give all the young people in Canada a reasonable amount of money for family allowance. This was to buy shoes, extra books and a little extra for the children themselves. The mother was to administer it and she was to have it. We are saying this is not possible now, we cannot do it for everybody. We can only do it for one class of the people. This is not good

enough. The rich are not going to agree with it. The poor are not going to agree with it and the middle class are not going to be willing to finance it.

May I call it one o'clock, Mr. Speaker?

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

• (1410)

The Acting Speaker (Mr. Boulanger): Order. The hon. member for Timiskaming.

Mr. Peters: Mr. Speaker, before lunch I was urging, and continue to urge, the minister and members of the House to give consideration to the amendment in the name of the hon. member for Winnipeg North Centre (Mr. Knowles) which, very simply, would provide the increase for all those in receipt of family allowances and would not eliminate a large portion of the people in this country who we believe are entitled to this increase. I think a government which does not consider increasing either pensions or benefits for any other segment of the social field is, in effect, downgrading its interest and participation in family allowances. It may be that the government wishes to get rid of the family allowance structure. If so, the government should say so. It has been interesting that in this debate not even some of the Conservatives went so far as to say we should get rid of this type of payment to children.

It has been argued very forcibly both here and elsewhere that this type of legislation leads to an increase in the population. In keeping with modern ideas, perhaps for those interested in population control there is some repugnance in the idea of family allowances which are really a recognition of an added financial responsibility for those people who have children. The government, however, has not really reached this conclusion. Of course, I believe it would be wrong to agree to any consideration of such a prospect.

It is interesting to look at the payments which have been made under family allowances. When we originally started these payments back in 1944, there was very great disparity between various areas and regions in Canada in terms of population expansion. The population expansion in the east was considerably greater than it was in other parts of Canada. One of the charges made in those days was that these allowances in respect of large-sized families had an effect on the population increase. I believe it is safe to say that, particularly in the province of Quebec, the birth rate was phenomenally high. It was phenomenally high for two reasons. I believe there was a religious reason and a rural reason, both of which tended to increase the population.

The fact that in 1944 many families in the province of Quebec received very large sums of money was considered by some to be an indication that this type of assistance was wrong and, therefore, should be discontinued. In looking over the situation in the years since 1944, it is interesting to see that circumstances have changed. Although family allowances are still being paid, and while they are really a production bonus, this has really not affected the birth rate in that province. The birth rate in Quebec has been reduced to equal that of any region in Canada and is, in fact, one of the lowest birth rates in the civilized world. The argument that this type of production bonus has created an undesirable situation—and I say "undesirable" from the point of view of the environmentalist who looks at the global situation in terms of overproduction of homo sapiens—is not necessarily a good argument in respect of whether or not we should produce our own citizens or bring them in from somewhere else. I believe I would favour the home-grown population increase rather than an increase through immigration from abroad.

The fact is that the money we pay in respect of family allowances has not encouraged an increase in population. It has not done anything to advance the number of people who have been born. I think everyone, particularly those interested in the social side of the picture, will agree that family allowances in the main when introduced represented a considerable asset with regard to family development in many parts of the country. It meant mainly two things. First of all it established for the mother and the housewife an amount of money that she would have in her own right to distribute to her children as she observed their specific needs. It was not designated for clothing, milk or food, but was designated for the mother to distribute to her children in the best manner for the benefit of the family. I think it is safe to say that the amount paid in 1944 did bring about some change because personally I know of families which were able to buy books for their children so that they would be able to attend school. They were able to buy the necessities and clothing so that the children could attend school. It enabled these children to participate with other children with a degree of equity that they would not have been able to enjoy had it not been for this sum of money.

I think most members will agree that initially that was the use to which this money was put. It is a discredit to successive governments since 1944 that they have not meaningfully escalated the family allowance payment to bring it up to a level that would at least meet the present rise in the cost of living. Such an escalator clause has not been put in the bill. Other speakers have used figures and made comparisons to show that the cost of living has gone up two and a half times, therefore the family allowance should have gone up by the same amount. Since it did not, it has meant that a poor family has had far less spending power, and poor families are not all in the low income group. A poor family may be living in mortgage row in a very expensive house, have a very expensive car, and the mother and father may have expensive tastes, yet you may find in that family a desperate need for some of the essentials that is probably equal to that of a family in the low income group. It does seem to me that equality should be retained, and the government has not done that. It is my opinion that we would be much fairer in our treatment of young people if we were to retain the principle of universality which they have enjoyed over the years and which has enabled these young people to provide their families with the necessities.

• (1420)

It seems to me that family allowances should be provided to all at the maximum or minimum level proposed by the minister in this bill. I suggest that our standard of living and our productivity would indicate that the minister is not being generous at all; in fact, he is being niggardly in raising the amounts only to those levels proposed in the bill. Obviously, if the cost of living has gone up, if the gross national product has gone up and revenues have gone up, we should be able to supply as much money to children today in terms of today's dollar as we were able to provide to children in 1944 when this act was introduced. We are not doing that, we are reneging on one million mothers in Canada by creating selectivity in this bill, a principle which was not originally contemplated.

In terms of the social impact of this legislation, was it true that in 1944, very close to the end of the war, we did not have any poor, we did not have any rich and there were no people in between? In what category were these people, in what economic strata were they that we found it necessary to adopt universality in providing this type of care to all mothers on behalf of their children? What has changed? The minister says that he disagrees with the slogan which has been credited to him, probably erroneously, but it is a nice one. It is that you save the rich, soak the middle class and seduce the poor. Perhaps there is some truth in it. Perhaps we have a new class of people who like paying taxes, a new class of people who like receiving money and a new class of people who do not like to pay their share. If that is so, then my guess is that it has always been so; there has not been any change or any reduction in the need. Those who originally believed in 1944 that it was not fair in social terms to divide children into economic categories should be heard, because in my opinion they still constitute the majority in Canada and they are probably the most numerous group of people even in this Parliament.

I am sure that most of the Liberal members will be going to their ridings very shortly and will be awaiting the call for a federal election. Are they really going to tell the people in their constituencies that we have had to give up social equality in the family allowance structure so that we can pay the poor, that we are only interested in helping the welfare cases in this country? Will some of those Liberals not be saying that they believe that all children in Canada should have the benefit of family allowances because they are Canadians? I think there are many members in the House who will not be selling the government's policy, and I am sure they will have great difficulty in explaining the two or three other recent programs in which selectivity is incorporated. I may not be smart enough, and I am sure my party is not smart enough—in fact I am not sure if anybody is—to follow the reasoning of the government behind this change, but I am sure that the average person in Canada would like to get rid of all the divisive factors in our society and would like to provide equality wherever possible. I am sure we would not want to see a woman having to make the decision as to whether or not she should do a limited amount of work because that may mean her children will receive less assistance in family allowance if she does so. I am sure that the average Canadian wants equality.

[Mr. Peters.]

I have heard very little argument in this country from any political source or from any of the social agencies against the idea of a universal guaranteed income. One of the reasons people are interested in adopting the universal guaranteed income is that it will apply to all people, it will do away with computerization in solving social problems and it will do away with the necessity of having inspectors coming into people's homes. This legislation will mean that decisions will be made by computers and inspectors will have to check these decisions. The average individual will have to make declarations of various kinds every time his income or his family situation is altered in any way. This will be applied to the information which will come from the Department of National Revenue. Officials in charge of this program will have to check the information regarding family allowances against the National Revenue figures. An inspector will come from both of these departments and will harass that family with things that they really do not understand. I am sure that the country does not want that.

The present government seems to think we are so bankrupt that we are unable to provide for Canadians, that we have to divide the rich from the poor, the haves from the have-nots. I am sure that Canadians would not want that. They will not agree with it, particularly since we went through a futile exercise a couple of weeks ago in one minor field of government expenditures. We found that almost $700,000 was being wasted on providing information which was really self-glorification of the government and its agencies. We suggested that it could be eliminated. Mr. Speaker, you will recall that there were a number of votes and the sitting went on until a late hour, but the exercise was futile in the first place.

• (1430)

There is not a member who cannot stand up and say, "I know where we could save $1 million or $1 billion." A couple of weeks ago we were talking about information supplied by departments and by Information Canada. At that time we were talking about something like $1 billion, a billion dollars to sell the Department of National Health and Welfare, a billion dollars to sell the Department of National Defence, a billion dollars to sell all the government departments. Why not put that money into a social program? If the minister were to say, "Let us get rid of family allowances and the guaranteed income supplement; let us get rid of some of these schemes and substitute one plan that would apply to all Canadians," it is possible that I would be in favour of it. But I am afraid that here we are talking about doing away with universality in our social service structure, and substituting a class structure.

At present, old people who are poor have to make application for additional assistance. Originally, old age assistance was given to everyone who reached a certain age. Now, a certain amount of pension is given to everyone on reaching that age, but it is just about half of what it costs to maintain body and soul, and a means test is applied to those who seek an additional amount. Now, we are doing with the universal family allowance. I strongly urge reconsideration of the idea of selectivity, of dividing people up into classes. I firmly believe that almost all mothers in Canada use whatever money they get for the

benefit of their children. I know it is said that many family allowance cheques are cashed in the beer parlour, or corner grocery store, but I believe the benefit of the money is applied to the children. No matter how poor people are, they try to take care of their children.

Aside from the argument of selectivity versus universality, I believe we have an obligation to provide for escalation of payments according to increases in the cost of living. Even bodies as heartless as the Canadian Pacific Railway and the directors of the Canadian National Railway have now applied an escalation factor to their workers' pensions. This is true even of as heartless an agency as the Workmen's Compensation Board of Ontario. But it is not done with respect to family allowances. It is calculated that a 1944 dollar will purchase only the equivalent of 40 cents in 1972. If that is so, a family allowance payment of $16 per child per month is needed in terms of our present standard of living.

I suggest to those Members of Parliament who will be going home shortly that they whould give serious consideration to supporting the amendment, which would provide every child in Canada with the benefit of escalation of allowances in relation to the cost of living and the increase in the cost of living over the last 18 years. If Liberal members cannot do this in good conscience, then it is an admission on their part that they fail, through their amended income tax structure, to get money back from those who do not need it. They know that if they give the baby bonus to the rich, the rich are not taxed at the same levels as others, and will get more benefit out of that bonus.

Hon. Paul Hellyer (Trinity): Mr. Speaker, I enjoyed the speech delivered today by the hon. member for Humber-St. Georges-St. Barbe (Mr. Marshall). I have complete sympathy with respect to the problems of his constituents. I am just as concerned about the children of his constituency and of this country as is anyone else, but I still believe that this is a stupid law, and we will be sorry if we let it pass this afternoon. Frankly, I cannot understand why it was introduced in its present form in the first place. In my opinion, it represents the most inappropriate and, in the long run, ineffective solution to what is for many people in this country a very serious problem.

• (1440)

The hon. member for Humber-St. George's-St. Barbe asked why I did not speak sooner. I should like to point out to him that I have been speaking about the fundamentals involved for a long time. I have spoken both outside and inside the House about the alternatives and how they could be achieved. I have been talking about the positive alternatives which are more effective and more humane. I have been shouting it from the hilltops. I have been saying that there is a better way but few people have been listening. I wrote a book to explain, on the basis of the knowledge I have gained over many years in public and private life, how we got into this mess and how we might go about getting out of it. Not too many people have taken the trouble to read what I had to say.

Mr. Speaker, we have to make fundamental changes if we want to solve some of the problems I have been talking about. This persistence with band-aid treatment will never do the job. By putting one band-aid on top of another all we do is exacerbate an already difficult situation. If we want to tackle the real problems in this country we have to do it by fundamental means. These fundamental means are jobs and wages. In the long run, there is no other way to achieve the goals that we want and that is the point of view I should like to discuss. We would have to introduce a system whereby for employables there would be ample opportunities to work for decent wages and, of course, for those who are unable to work due to enforced idleness or because they are incapable, an income sufficient for their requirements.

The amendment before the House offers an opportunity for reconsideration. I listened to the hon. member for Vancouver-Kingsway (Mrs. MacInnis) with great interest and she made a most impressive speech, one that was worth listening to and worth reading. She spoke eloquently of the needs of the poor people in this country and she spoke compassionately as she always does. I would like to see this House take seriously some of the things she said.

In so far as options are concerned, there are several, of course. The first option would be to refer this bill back to committee and to reconsider the advisability of the universal approach. The payments could be increased under that system of universality which was established in 1944. That would solve the problems, at least in the short run, which were raised by my hon. friend from Humber-St. George's-St. Barbe. Then, of course, if that were the solution we could use the present income tax laws, perhaps with some changes that would be appropriate, to make sure that the benefits of the increase went largely to those who need it, the people at the bottom end of the income scale. That is what the tax laws are for; that is the reason we have a graduated income tax which is very steep in its application. It is, in fact, a redistribution of income. There is no reason in the world why this same technique could not be used if we wished to stay with the universal approach.

The advantages of staying with the universal approach are that it is easy to administer—perhaps I should not say it is easy to administer but compared to this new bill it is easy to administer. The comparison would be the comparison between night and day. It does my heart good to hear the New Democratic Party complain about the increasing bureaucracy in this country. I think this is one of the most desirable and beneficial developments that I have noticed in a long time. Everyone is beginning to recognize that we must have a simpler solution. We cannot go on forever complicating things to the point where we have more and more people passing paper, more and more people on the payroll, fewer and fewer people producing the wealth whilst all of us spend more and more time answering questions, filling out forms and standing in line because of some regulation which may not apply adequately in some cases.

A symptom of this was expressed during the question period today when someone mentioned the experience of a small businessman who was fined $100 for not filling out one of those silly forms sent out by Statistics Canada. I have great sympathy with the small businessman. The bureaucrats of this country are driving him crazy and worse than that they are driving him out of business. In a

few years there will not be any small businessmen because they will not be able to survive. Ultimately, they are going to say "A pox on it, we will go to work for the government and go home at three minutes to four every day". What a sad reflection that would be on the traditions which we hold dear. I am not just thinking of traditions, Mr. Speaker, because tradition is only important if it has a continuing function, but of the relationship between businessmen and their customers which really only comes with small organizations and which will be nothing but a distant memory if we proceed much further in the direction we are going. As a result of having operated a small business, I know that now the entrepreneur spends most of his time filling out forms. I have talked to a number of small shopkeepers and businessmen this year, and I know that they take home less pay than any one who works for them. Who would expect them to survive for long under these circumstances? The principle applies to all of us and it is applying more and more to the very people we are trying to help.

What kind of form will we have to fill out in connection with this law? The minister has told us that it will not be any more complicated than the income tax form. I do not know whether other hon. members had the same reaction to that interjection as I, but I thought to myself that he just cannot be serious. The minister is making a case for his own bill and he says that the form will not be any more complicated than the income tax form so we do not need to worry about it. The thing that drives us crazy once a year now will be done four or five times a year by the poor. Perhaps they will learn to enjoy it because they will not have time to do anything else. Mr. Speaker, we can get used to anything. Certainly, the universal system would be less complicated than the one the government proposes. I must admit that I agree with my New Democratic Party friends that it would be socially more acceptable. I know the NDP do not like me to agree with them, and I shall try not to do it too often but I must admit that sometimes they say things with which I can agree.

Mr. Speaker, I do not like to see the country divided the way this bill will divide it. I think the bill is regressive, and I think it just introduces one more division in the country based upon social and economic standing in the community. I think it would be much more acceptable socially if we were to stay away from the introduction of one more means test, particularly one as complicated and hopeless in its application in ordinary circumstances as this one is destined to be.

• (1450)

The second option would be not to increase the levels of family allowances but to leave them at their present rates and try another approach to providing the extra purchasing power needed by the people in this country who are below the poverty line. I admit, frankly, that I prefer the second approach. There need not be poverty in Canada, and the fact that there is more poverty in Canada today, relatively, than there was a few years ago when the anti-poverty campaign was begun is a reflection on the ineffectiveness of the band aid treatments which have been instituted.

[Mr. Hellyer.]

An hon. Member: That's what comes from free enterprise.

Mr. Hellyer: Mr. Speaker, I think we need a little more enterprise; that would be the solution. I should like the hon. member to give due and just consideration to what I will say about this. In my opinion, there is no reason in the world, except bad management, for the 6 per cent unemployment rate in this country today.

Some hon. Members: Hear, hear!

Mr. Hellyer: This is not happening in other countries. I know the government can point with some comfort, I suppose that is the right word, to the experience in the United States, an experience which is about as bad as ours. The reason, I suspect, is that many of the theologians in charge of the United States economy were trained in the same schools and read the same bibles as the theologians who have been in charge of our economy. There is no excuse for this unemployment, none whatsoever. Most countries of the western world do not have unemployment at these levels. Only in Canada, the United States, Italy and Great Britain is a level anything like ours accepted.

I should like to outline three steps that ought to be taken if we are to have full employment. The first step consists of a further reduction in taxes at the low income levels. The last budget may have been successful in offsetting the effects of the American DISC program. It may have provided a stimulus for industry, but it did nothing on the other side of the economic equasion—it did nothing to increase aggregate demand. One could ask why business would want to expand considerably if, at the same time, there is not sufficient purchasing power in the hands of people who need goods and services. Why would business expand if there is not that capability in the hands of the people for purchasing the products of business, if there is not that capability in their hands which, in the first instance, would induce business to provide extra goods and services? So, if we want to get our economy back on the road, if we want to get it rolling again, we must provide an infusion of purchasing power. The best way of infusing that purchasing power is by providing tax relief for those people who need food, shelter and clothing, who need the necessities of life about which the hon. member for Humber-St. George's-St. Barbe talked. Lower taxes would provide an immediate infusion of money into the economy and create the demand which would create jobs which, in turn, would stimulate the economy and get the economy rolling again.

The second step, of course, because, mathematically steps one and two are related, is increasing the total amount of effective demand which would set the total level of employment. Economists call total effective demand total aggregate demand. That is the regulator which sets the total employment level in the country, and anyone who has even a faint knowledge of the dismal science of economics is familiar with that. So, if we want to provide sufficient economic demand to create meaningful employment for the people of this country who want to work, we must increase total aggregate demand. This means, in effect, that we must increase the money supply, as the government has been doing, or rather as the central

bank has been doing, to the point that interest rates are driven down.

How can people who want to buy a house afford a house if they must pay 9 per cent interest on the mortgage? That is beyond the reach of the average person in this country. There is no way that the average citizen can buy a home for which he must pay over a period of 35 or 40 years if the mortgage interest rate is 9 per cent. Further, how can the people of this country begin small businesses, corner grocery stores and similar small businesses of any kind, if on the money they borrow they must pay 10 per cent, 11 per cent, 12 per cent or 14 per cent interest? There is no way they can do that, Mr. Speaker. There is no way that people who want to do something for themselves, who want to become involved in the economic system, can branch out in business if the economic dice are loaded against them as heavily as they are at present. So, the second step must be increasing the money supply and driving interest rates down.

The third step is one that the people in authority in this country have rejected. The people who have responsibility for the management of the economy of the country have resisted the No. 3 step which must be taken, the imposition of mandatory wage and price guidelines in this country, the only effective way to control monopoly power.

The Acting Speaker (Mr. Boulanger): Order, please. I have looked at the amendment and regret having to do what I am about to do. So far, it seems to me that the hon. member has made the sort of speech which he would make in a budget debate. I do not think he is speaking to the amendment. I know we have been generous, but I really think it is time for me to remind the hon. member that we are debating the amendment proposed by the hon. member for Winnipeg North Centre. I think it would be much better if he could relate his remarks more directly to the amendment than he has done thus far.

Mr. Hellyer: Mr. Speaker, I will certainly do that. I am trying to point out that there is an alternative, and I was speaking of one particular alternative which the House ought to consider after the bill has been to committee. Certainly, those remarks come within the ambit of the amendment now before the House. I know Your Honour realizes that there must be some latitude in debate and that anything which could legitimately be described as an alternative to the ineffective provisions of the bill would come within the rules and within the ambit of the amendment.

There is no way in which you can have a reasonable degree of economic stability in Canada unless, some day, somebody will be brave enough and sensible enough to impose mandatory wage and price guidelines in this country. I know some members of the government agree with that. I should not be surprised if the minister agreed with me. However, he has some tough friends in cabinet and they are not as easy to get along with as he is sometimes.

Mr. Gilbert: The hon. member ought to know.

Mr. Hellyer: There is no alternative, Mr. Speaker, to this step in view of what has happened in the last few years. The lack of effective controls and mandatory guidelines has distorted the entire economy, pulled it out of shape, to the point where, today, in all ten provinces a married man with two children can get more on welfare than he can by taking a job at minimum or near minimum wage rates. In many cases people can get more by drawing unemployment insurance than by working. I say to the hon. member for Humber-St. George's-St. Barbe that this is true in his province as well. I was told recently of a manufacturer in that province who owns three factories. He cannot fill them with workmen, even though there is a high rate of unemployment on the island. I am not saying this is bad; but I am saying that this shows that, often, people across this country can make more by not working than by working.

The inevitable result, of course, is disaster from all points of view for this country. First, on the economic side, with more people drawing welfare or unemployment insurance, more people are taking from the national income produced and there are fewer working. Consequently, the total pie is smaller than it otherwise would have been and there is less for everyone. Second, we must remember the social distortions that result from people not working. They become used to doing nothing and find it more and more difficult eventually to re-enter the labour force.

Mr. Marshall: Mr. Speaker, would the hon. member permit a question? He referred to three manufacturing industries in my province. I wonder if the hon. member would name these industries. I am not aware of them.

The Acting Speaker (Mr. Boulanger): Order, please. The hon. member's question is a perfect example of the sort of thing I meant when I last interrupted the hon. member who has the floor. That hon. member is so far away from the amendment that he is now being questioned about factories he mentioned. I think the Chair has been very lenient. I have not heard complaints, but the hon. member knows the rules. I ask the hon. member again to try to keep close to the subject matter of the amendment.

• (1500)

Mr. Hellyer: Mr. Speaker, I could not agree more, but with deference I think Your Honour's ruling is really a reflection of how far conventional wisdom and the inadequate bill presented to the House by the government is from a fundamental solution. We are talking about family income. Is that not the name of the bill? Is it not relevant that the family has sufficient income to look after the needs and requirements of its children, including proper food, clothing, shelter, educational and other opportunities? Is that not what we are talking about? Are we not trying to provide income for families so that children of all families, regardless of the circumstances, can grow up in decency and dignity? I certainly think so. That is the purpose of the minister's bill and the amendment put before the House by the New Democratic Party.

If we really want to do something about this situation we must go back to fundamentals. We must provide jobs for those who are able to work. We know how to do it. If we did not know how, it would be different. We wish that others would take seriously what we have to say. We should control monopoly power in this country. If there were a Liberal party in this country—

An hon. Member: There is.

Mr. Hellyer: I hear from a backbencher that there is a Liberal party in this country. There is no Liberal party in this country.

Some hon. Members: Hear, hear!

Mr. Hellyer: If there were a Liberal party in this country it would be fighting monopoly power, fighting General Motors for building front ends that either smash in or fall out, fighting doctors for leaving patients unattended, fighting strikers for not picking up garbage, and fighting the vested interests on behalf of the people of this country. That is what a Liberal party would be doing.

The fact that there is no Liberal party in this country causes much pain and distress to some of us. The government is so involved in band-aid treatments that for one reason or another it has managed to avoid looking at the principles. The principles are Liberal principles. If they would go back to them they would know what to do. The Liberal principle is that when the rights and freedoms of any individual or group in society reaches the point where they trample on the rights or freedoms of another individual or group, they have to be curtailed. The government has not effectively done this in so far as labour and management are concerned. The Minister of Energy, Mines and Resources (Mr. Macdonald) can laugh, but he is as guilty as anyone in this government.

The philosophy of Liberalism is in ill hands at the present time. This government is totally removed from and unaware of what Liberalism means. They continue to allow wages and prices to get out of pace with productivity; they do nothing about it. Three years ago the government said it was going to control inflation even if it meant creating 6 per cent unemployment. That is precisely what it did. Now, 300,000 families in this country are in misery economically because this government put them there.

Some hon. Members: Hear, hear!

Mr. Hellyer: That is how they got there. That is the truth. The tight money policy of 1969-70 is the cause of the present level of unemployment. That is one reason the government is now going to such extraordinary lengths to do something about it. If they do not do something about it, it is because they are unaware of the facts. I was interested to learn this morning that new opportunities programs will be introduced. Some of them may be worth while but in many cases it will just be another opportunity for the favourite few of the government to spend a lot of someone else's money; for the majority the only opportunity will be to pay higher taxes.

There is another alternative and I would like hon. members to think about it. We do not have to stay with this outworn, outmoded trade-off theory which the professional economists are pawning off on us. This is nonsense, but it will persist in the minds of the experts as long as you have monopoly power on both the labour and the industrial side pushing up wages and prices out of step with productivity. As long as that continues, the central bank has no recourse except to be involved in this trade-off between too much unemployment and too much inflation or, as we have at the present time, too much of both simultaneously.

We should go back to fundamentals. That is the reason I intend to support the amendment. The committee would do well to take a hard look at this bill and what was proposed last night by the hon. member for Vancouver-Kingsway (Mrs. MacInnis). She referred to this incredible bureaucracy as a Saint Vitus's dance; I thought it was a most eloquent phrase. Why do we persist in solutions which are so complicated and insensitive to humanity that they get everyone in this country uptight as a result? Surely there is a better way. If the committee cannot come up with one, I will be surprised. As a matter of fact, if given a free choice I will be surprised if the minister does not do that. We should refer the bill back to committee.

The frustration that one feels in a situation like this is real and understandable. Here is a bill that very few people like. Someone told me last night that a group of young programmers, people who learn to put information into computers at school, was largely responsible. I do not know who is responsible for it, but whoever it is I hope he has to live with it and has something docked from his pay every time the computer throws out false information. It is a horrendous prospect.

Members of Parliament, including many Liberal backbenchers and the people of this country realize that this is a poor bill. Many Liberal backbenchers do not want to fight the next election with this bill hanging over their heads. I know this from talking to them. They think it is more bureaucratic nonsense that the system did not have a chance to throw over. Opposition members are divided: some want to get ahead with it, not because they think it is the right solution but failing another solution they feel that half a loaf is better than none. Some want to get on with the job, taking the chance that they will be able to unravel the whole ball of yarn later.

The New Democratic Party made it clear that they do not like the bill. They say it is a bureaucratic monstrosity which removes the principle of universality that has worked satisfactorily over the years. I would venture to guess that given a free vote on conscience the vote of this House would be negative on the bill; it would not carry. I would go so far as to say that the same thing could happen in the country. The people of this country have more sense; they would be able to come up with a better solution. They would not do anything as complicated as this. They would reject this further intrusion into their lives and privacy. They would say that there has to be a better means of distributing income. They want opportunities and meaningful wages. The people of this country want the government to make it possible to start small businesses and do the things they want to do. They want the government to get off their backs with its tight money policy, regulations, bureaucracy and all the other things we have had that make life so complicated and take all the joy out of it.

I understand, but I do not like to understand, that when so many people are against the bill, when the prevailing opinion is negative and so many people think it can be improved or, better still, that it should be scrapped and started over again, nevertheless the bill will be passed because of the old party system of cracking the whip. The

whip cracks down and everyone jumps into line whether they agree or not. When the vote is called and the leader stands up, everyone falls into line even though their conscience says no.

• (1510)

Is it any wonder that the young people of this country are cynical about politics? Is it any wonder that the people generally have become cynical about politics? Is it any wonder that when you talk to them they say, "These ideas make sense, but will anybody listen?" Are you not just beating your head against a wall?" Is it not a sad state of affairs that the Canadian people should be losing faith in democracy because once a government has been elected they have no control over it and it persists in doing things of which the people would not approve if they had an opportunity to vote in a referendum. They say, "What difference does it make who we vote for, because the same thing goes on and on." The whip cracks, the bell is rung and the bill goes through; that is the situation.

I personally regret that one after another four or five bills have gone through which do not really make sense for Canada. Some of them can perhaps be reversed. But it is just like the Viet Nam war; you get into it inch by inch and there is no way of getting out. You get all the bureaucracy built in. So much face would be lost if things were changed. The time to avoid that trap is before you cross all the thresholds, before you get too far down the road.

I hope someone else will speak this afternoon. I hope the amendment carries and that the bill is referred back to committee, because if we as representatives of the people cannot come up with something better than this bill on behalf of those who need help, we should be ashamed.

Some hon. Members: Hear, hear!

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, when I came into the House a few minutes ago I had no intention of speaking on this bill. However, having seen the reaction of the Minister of Energy, Mines and Resources (Mr. Macdonald) to the words of the hon. member for Trinity (Mr. Hellyer) I feel compelled to speak. After all, the minister was at one time a close collaborater and friend of the hon. member for Trinity, and then the hon. member for Trinity was regarded as holding such high ideals and opinions that he could hope to attain the leadership of the Liberal party.

Mr. Macdonald (Rosedale): No, Sir, you have it wrong.

Mr. Diefenbaker: I do not want to miss any of the pearls of wisdom that come from the lips of the Minister of Energy, Mines and Resources. If he wishes to interrupt, all he has to do is stand up and I shall be glad to make way for him.

We have listened to a speech this afternoon by a member of this House who for many years was a strong supporter of the Liberal party. He has found that under its present leadership it is no longer the Liberal party but that it has become the Trudeau-Pelletier-Goyer party.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: I am sorry the Solicitor General (Mr. Goyer) is not here today, because I have just raised his status a little and he certainly needs elevation; no one needs it more than he does.

On this subject I think I can speak with reasonable objectivity. I have never collected any portion of the baby bonus or the family allowance and as far as the old age pension is concerned, I refused to apply for the pension because I felt that while it purports to be a contributory measure, in point of fact, as far as I am concerned, in view of the few years of contributions made it would not be a contributory pension.

The words of the hon. member for Trinity, spoken with deep sincerity—

An hon. Member: Oh, oh!

Mr. Benjamin: What was that sickly laugh for?

Mr. Diefenbaker: —were most impressive. Two or three of those backbenchers seem to think they have a monopoly on sincerity as long as they follow the Prime Minister's line. They realize that any deviation means they will never be appointed as parliamentary secretaries. The hon. member for Trinity mentioned the dreams he had about what might have been achieved. He did not mention the just society of which we heard so much in 1968 and of which we have heard so little since. Indeed, the expression "just society" has during the past three years become a dirty word in the vocabulary of Trudeau Liberalism.

I say that this bill, brought before the House in the dying hours of the session, is one which should have been given earlier consideration. I feel sure many hon. members would vote for the amendment were it not for the fact that we are also in the dying hours, as I believe, of another Parliament and that when they return it will be to a new Parliament with, I hope, a new government.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: As to social security, I am one of those who throughout the years have given every support to measures to increase social responsibility. It used to be said that social security was a monopoly of the Socialist party: the two were regarded as being synonymous in the same way as in earlier days those who emigrated to Canada were told that here liberty and Liberalism were synonymous. They found that neither of these epitomies are well based in fact.

As to the amendment, I think the government would have done well to have permitted to be carried out what is provided for therein, namely, that the bill be referred back to the Standing Committee on Health, Welfare and Social Affairs for the purpose of reconsidering the portions of clause 6 and such other clauses that impose a means or income test for the receipt of benefits under the bill.

However, even if the bill were to be referred back to committee as proposed, I would not expect there would be much change. I have often been alone in the House in the past four years in my opposition to the changes in rules which have greatly emasculated this chamber and brought about a situation in which there is no proper

consideration given to controversial or bills other subjects in committee. Some contend that committees are successful in the United States. Under the American system they are, because it does not matter in a committee what decision is made in either the House of Representatives or Congress; it does not directly affect the presidency of the United States or the leadership of the party in the presidential office.

However, it is different here. I do not care which political party is in office, because when a measure of a controversial nature is submitted to a committee, members vote on the basis of their political persuasion because to do otherwise, were they supporters of the government, would be to weaken the government.

The hon. member for Trinity said that this Parliament had ceased to hold the respect of the Canadian people. I agree. I find everywhere across the nation the view expressed that the institution of Parliament in these days is no longer effective. If that be so, then we might as well close down the institution. However, it need not be so for much longer for the Canadian people have an opportunity to make a change and to once more bring about the restoration of this institution. While we may differ in our views sitting, as we do, either to your right or your left, Mr. Speaker, there should none the less not be any requirement on members of the House to park their consciences at the door of Parliament. As I view it, that is the great danger today.

• (1520)

With regard to the present motion, I know that there are members in the House who in their hearts entirely support the need for further consideration being given this matter in committee. But they cannot vote that way because to do so would weaken their government.

Where are we going today? I recall when in 1944 the late Right Hon. Mackenzie King introduced family allowance legislation in this House. My own party was opposed to it and I was alone in caucus on the issue for several days. I said I was determined to support it and it was pointed out to me that if I did so it would be contrary to the viewpoint of my own party. Yet I stood my ground. A Member of Parliament is not an automaton to be pushed around as a puppet. Finally my party joined in support of family allowances in this House, with one exception.

With regard to old age pensions, this party has given its support through the years. During my period of administration we raised the amounts of pensions very considerably. We thought that the $6 increase given by the St. Laurent government in 1957 was unjust and unfair and we made sure in the next election that the "six buck boys" did not ride again. When in office we brought about increases.

I am in favour of fair social security measures. But what do we face here, Mr. Speaker? We face a government that refuses to accept the principle of universality. The means test is the meanest test of all because it is applied to the average person across the country and places everyone in a position of mental or physical subservience. I am opposed to anything in the nature of a means test.

[Mr. Diefenbaker.]

During the last year I was in office the total federal expenditure in Canada was about $6 billion. That was said to be frightful. I remember the mourners sitting over on this side of the House with tears running down their faces. Their speeches were laced with lachrymose sentiments. What are the expenditures of the government today? They are up to $17 billion! In part this is due to the fact that this House has no control over expenditures made today, none whatsoever. The day that this Parliament agreed to place our expenditures in committees for investigation we closed the door of this House against protecting the Canadian taxpayer from outrageous and totally unjustified expenditures. I said that the door to effective examination of expenditures would be closed, and what we witnessed the other night during the late sitting till 2.30 in the morning, in the passage of $16 billion in 4½ hours, was—

Mr. Bell: Disgraceful.

Mr. Diefenbaker: It was the most inexcusable conduct that Parliament ever indulged in. But it was the natural fruit of those who planted a tree that they said would make Parliament work but which turned out otherwise.

Today we have the highest taxation in Canada's history. I should like to put on the record what the minister said in the immortal speech that he made in Quebec City. I said "immortal", but as far as the Canadian taxpayer is concerned it was an immoral speech and aimed against the middle class of this country. At page 18 of his speech he said:

> Governments, contrary to what many may think, are not uniformly indifferent or hostile, impersonal or heartless institutions.

I have never heard anyone say that they were, but we now have the imprimatur of the minister.

> They are composed of people who genuinely seek the aristotelian mean—

That indicates a knowledge of the classics.

> —the maximum good that can be evenly distributed.

Aristotle never thought of that, but today he is blamed in the minister's speech. The minister then goes on to say:

> To take the example which most concerns us here to day, measures to alleviate poverty—to increase the economic and social security of those now living a marginal existence—result only from transfers of resources which, in one way or another, come from those who are better off.

That is where the members of this House come in.

> Unfortunately, we do not have enough of the "super-rich" to effect this transfer only from the manifestly affluent. Resource transfers of any magnitude must come from the great middle class—those who provide the overwhelming majority of the tax revenue, but do not by any means see themselves as having reached Easy Street—or fat city, to use the term of the poverty ghettos.

What does that mean? In the next paragraph the minister said:

> We cannot act like Leacock's horseman and go madly galloping off in all directions at once.

He should have given that advice to his fellow ministers because that is what they have been doing in this session in advance of an election. If this government is returned, then in view of what the minister said in Quebec City the middle class of Canada should know what is going to

happen to them. Today they are taxed as never before. But they have only just seen the sunrise; taxes are going to go up even further. Let me read what the minister said in this connection when speaking in Hamilton on June 28:

We must convince the middle-income groups that they are the only source of income adequate enough for taxation to really aid low-income groups.

As the hon. member for Trinity said, people are taxed today until in many cases there is no incentive left. In anticipation of an election the prospect is that we have not seen the half of it yet. The government has in mind increasing taxation for the middle class. This is the first time in recorded history that a government has gone to the people and has said that, so far as the middle class is concerned, if they think they have paid through the nose up to the present time, they have not seen the half of what they will be subjected to. The minister went on to say:

If you tax the top groups more, you would run into the law of diminishing returns—

Surely the law of diminishing return applies to those people whose incomes are between $8,000 and $15,000. But not according to the minister.

—because there are not many in that group and you would kill their incentive.

It would ruin the incentive of the high income groups to pay any additional tax, so they have already received some relief in the recent budget. The minister went on to say:

The same would apply to a 10 per cent increase in corporation tax, which would produce only $250 million in revenue—

• (1530)

Hence the tax collectors cannot touch the corporations and they cannot touch the rich. When in that position, what do they do? They will soak the middle class. That is what the minister's speech means. He goes on to say that if we had a 10 per cent increase in corporation tax this could harm incentive among companies facing stiff increases. There you have the picture. The top boys will not pay. They already had a slash on their income tax. Those on the bottom cannot pay. Those in between, however, will be taxed to an extent that can only be imagined at this time.

The blueprint set forth by the Minister of National Health and Welfare (Mr. Munro) indicates that the middle class have not seen anything yet in taxation. He made a speech to the Liberal Association in his constituency. The House might be interested in the reaction. He was challenged by a worried Liberal. A man has to be pretty worried to go to an annual meeting of the Liberal party in a constituency represented by the minister and indicate that he is worried. But this Joe was worried, and I think he deserves a lift to immortality. The minister was challenged by a worried Liberal crane-operator named Joe Boich. Joe spoke for the Canadian people: he said, "For God's sake, don't tax us any more". I want the minister to take his words to heart because Joe Boich is no Joe-boy. Joe Boich is a Canadian who used these words which will ring across the country in the coming election, and they bear repetition: he said, "For God's sake, don't tax us any more".

Then Joe spoke some more. He got that far without interruption and there must have been some listening to what he had to say. He added that taxes are already hurting the middle-income earners and discouraging them. That is what I have been saying—and Joe Boich, in front of his own minister, at a Liberal Association meeting, came to the same conclusion. His views indicate there is an undercurrent in this country. Then he had some more to say exactly along the line taken by the hon. member for Trinity. Joe expressed it in words the hon. member for Trinity did not use. Joe used simple, direct words: he said, "When we make it, you are going to take it away from us".

Mr. Speaker, those words deserve to be on every billboard in this country—"For God's sake, don't tax us any more. When we make it, you are going to take it away from us". What did the minister say? He did not answer that, but he said that if he listened to the opposition the taxes would be even higher. With all the billions of dollars being spent today, with the lack of examination of those expenditures by this Parliament and with the cry of Canadians everywhere, "Don't tax us any more", what does the minister say? The minister tells them they have not seen anything yet. If the Trudeau government goes back, the Canadian people will get a lesson. Do not think I am looking at this from a biased standpoint—

Some hon. Members: Oh, oh!

Mr. Diefenbaker: —because I am going to quote.

An hon. Member: Look at the Davis government.

Mr. Diefenbaker: Over there in the lee section I know that the hon. gentleman from High Park-Humber Valley (Mr. Deakon) reads the Christian Science *Monitor*. He is one of those gentlemen who always read this fine publication. Here is what the Christian Science *Monitor* had to say—and the writer is a thirty-second degree Liberal, Bruce Hutchison. It is dated July 1, Dominion Day. I do not like to quote but I must place his words before the House:

The ordinary Canadian, neither rich nor poor, has been warned by his government that he must pay for a large transfer of wealth from the fortunate to the unfortunate sectors of society.

The minister's speech is described as a blunt speech. It is not so blunt, however, that the point has not got over to the Canadian people. Then the article quotes the minister as having said:

We must convince the middle-income groups that they are the only source of income adequate enough for taxation to really aid low-income groups.

The article continues:

Already the government has moved to implement its warning by personal income tax cuts in the lower brackets and on corporation producing goods within Canada.

The resulting loss of revenues at the top and bottom of the scale will be made up, it is hoped, by higher taxes at the middle beginning next year. A temporary reduction of 3 per cent on all incomes will be withdrawn then and for the first time capital gains will be taxed.

It is not clear yet, however, that a basic shift in the tax burden can balance a budget of $16 billion which has increased by 50 per cent in the first four years of Pierre Elliott Trudeau's Liberal government—

Division

What is said means a tremendous increase in taxation across this country for Canadians of the middle class. Sir, I wish I had more time because I would like to read some other prize bits in the minister's speech. However, everybody received a copy. Having handed out copies of this, the minister has not found a way of evading responsibility for telling the Canadian people that even though they think they have paid high taxes they have not seen the end yet.

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

Some hon. Members: Question.

Mr. Speaker: The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: All those in favour will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Call in the members.

The House divided on the amendment Mr. Knowles (Winnipeg North Centre) which was negatived on the following division:

• (1540)

(Division No. 49)

YEAS

Messrs:

Alkenbrack
Bell
Benjamin
Brewin
Broadbent
Burton
Carter
Coates
Crouse
Danforth
Diefenbaker
Forrestall
Gilbert
Grills
Gundlock
Harkness
Hellyer
Knight
Knowles (Winnipeg North Centre)
Lambert (Edmonton West)
Latulippe
Lewis
MacInnis (Mrs.)
MacLean
Macquarrie
McCleave
Marshall
Mather
Monteith
Nowlan
Nystrom
Peters
Saltsman
Scott
Yewchuk—35.

NAYS

Messrs:

Andras
Barrett
Basford
Benson
Blair
Blouin
Boulanger
Breau
Cafik
Chrétien
Clermont
Côté (Richelieu)
Deachman
Deakon
De Bané
Dupras
Éthier
Forget
Francis
Guay (St. Boniface)
Guilbault
Haidasz
Hopkins
Hymmen
Lajoie
Lang (Saskatoon-Humboldt)
Lefebvre
Legault
Loiselle
Macdonald (Rosedale)
MacGuigan
McBride
McNulty
Marchand (Kamloops-Cariboo)
Morison
Munro
Murphy
O'Connell
Orange
Osler
Prud'homme
Richard
Rochon
Roy (Laval)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Cochrane)
Sulatycky
Sullivan
Turner (London East)
Wahn
Watson
Weatherhead
Whelan
Whiting—56.

• (1550)

Mr. Speaker: I declare the amendment lost. Shall we now proceed to the consideration of private members' business?

• (1600)

Some hon. Members: No.

Mr. Speaker: Order, please. Is the hon. member for Trinity objecting to our proceeding with private members' business?

Mr. Macdonald (Rosedale): Mr. Speaker, I wonder if we could have the unanimous consent of the House to extend the time for consideration of public business long enough to put the question on the motion for third reading.

Some hon. Members: Agreed.

Mr. Speaker: The minister is suggesting what I was asking indirectly, that is, whether we should go to private members' business. In either event we require the unanimous consent of the House. Is there unanimous consent?

Mr. Hellyer: Mr. Speaker, the time for private members' business has arrived, and this government could have done much better for the poor people of Canada. Perhaps the next government will.

Some hon. Members: Oh, oh!

An hon. Member: You are nuts.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member should not make a speech. The Chair inquires whether there is unanimous consent, and there is not unanimity.

It being four o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions. Could we have order, please?

Before the Chair calls the motion which is on the order paper for today, perhaps I could take advantage of the fact that there are so many of us here at this moment to remind hon. members that later this afternoon, after royal assent when we return to the House, all hon. members are invited to room 16 to wish one another a pleasant holiday.

[*Translation*]

I will be glad to welcome my hon. colleagues who will meet in Room 16 after Royal Assent.

[*English*]

This cordial invitation is extended, of course, to the senior officers of the House and to members of the press gallery.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the House that a communication has been received which reads as follows:

Government House, Ottawa,

Sir,

I have the honour to inform you that the Honourable Wishart F. Spence, O.B.E., Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber today, the 7th day of July, at 4.45 p.m. for the purpose of giving royal assent to certain bills.

I have the honour to be,
sir,
Your obedient servant,

André Garneau
Colonel
Administrative Secretary

PRIVATE MEMBERS' MOTIONS

BROADCASTING

REQUEST THAT POLICY OF CBC REGARDING CORPORATION-PRODUCED PROGRAMS BE REFERRED TO STANDING COMMITTEE

Mr. Mark MacGuigan (Windsor-Walkerville) moved:

That the policy of the Canadian Broadcasting Corporation of preventing or delaying the showing in Windsor of corporation-produced television series or programs in order to sell these series or programs more profitably to broadcasting networks in the United States be referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts for investigation and report.

He said: The background of this motion, Mr. Speaker, is that three times within the last year-and-a-half the Canadian Broadcasting Corporation has denied to television station CKLW, channel 9, in Windsor the right to carry Canadian-produced television series being carried over the rest of the CBC network. The first two series, "Audubon Theatre" and "Adventures in Rainbow Country", where the CBC was the co-producer with independent producer Ralph Ellis of Manitou Productions in Toronto, were denied to CKLW-TV during the 1970-71 season. The withholding of the third series, "The Whiteoaks of Jalna", where the CBC was the sole producer, occurred in January of this year.

In the first two cases the series were erroneously released to CKLW-TV and withdrawn only after the CBC discovered its error. In fact, 22 of the 26 instalments of "Rainbow Country" were shown in Windsor before the series was withdrawn. With respect to "Jalna" the CBC intended a delay of nine months in the Windsor release after the January 23 première on the rest of the CBC network. However, when it was not able to sell "Jalna" to the American networks even with the sacrifice of the Windsor market, it allowed the series to begin in Windsor on June 18, a delay of five months rather than nine.

After the two instances of CBC discrimination against Windsor last year I raised the subject in the House on April 5, 1971, at the time of adjournment, and in reply the Parliamentary Secretary to the Secretary of State read a statement prepared by the CBC. In that statement the CBC claimed that it released all full network programs to all stations of the English television network, including affiliated stations such as CKLW-TV in Windsor, with three stated exceptions.

The exceptions were as follows: first, with respect to television series produced in the United States and acquired by the CBC from a Canadian distributor for full English television network release, in which case the rights acquired by the Canadian distributor seldom include Windsor, since American distributors regard Windsor as part of the Detroit market; second, with respect to television series produced in Canada by independent producers and acquired by the CBC from a Canadian distributor for full English television release, in which case the CBC usually defers for a period of some months the right to include Windsor in its network schedule in order to increase the private producer's chances for United States sales; third, with respect to television series produced in Canada which are co-financed or co-produced by the CBC, in which case the CBC again usually defers its Windsor rights to assist the private production company with its cost-recovery problems. It is readily apparent that the "Jalna" series, which was produced entirely by the CBC with taxpayers' money, does not fall under any of these exceptions, and therefore by the CBC's own statement ought to have been released to CKLW-TV.

To amplify the problems which CKLW-TV has with border-protection clauses, I should like to underline that the station is denied about 25 hours a week of American programming which is available to all other stations in the CBC network. Included are such popular programs as Flip Wilson, The Carol Burnett Show, Laugh-In, The Par-

tridge Family, The Jimmy Stewart Show, Walt Disney productions and specials like those of Jacques Cousteau. In these cases the decision to deny the Windsor television station access to the programs is made by the American networks, in the interest of having Windsor viewers watch the programs on the network stations in Detroit.

An allied border-protection problem is the denial to Windsor sports fans of the opportunity of seeing hockey games played by Canadian teams which conflict with home engagements of the Detroit Red Wings, or baseball games played by the Montreal Expos which conflict with those of the Detroit Tigers. In such cases the programs are not available to viewers anywhere in the Windsor-Detroit area. Again the decision is made by American interests, and it might be assumed that the CBC is here in the position of an unwilling accomplice.

Even though American network programs denied to channel 9 remain available to Windsor viewers, there is still a serious consequence. Since CKLW-TV does not have first-run American network programs as lead-ins for Canadian programs, it is able to attract a much smaller proportion of the audience to Canadian productions than it would otherwise be able to do. As a result, channel 9 has only 23 per cent of the Windsor audience and only 7 per cent of the Detroit audience. It is worth remarking that the station is able to attract a higher 12 per cent of the Detroit market for its American programs even though these are limited to re-runs of earlier American network programs. Its best lead-in, however, is its 9 p.m. local news program. With respect to its competitive position vis-à-vis American stations in Detroit, CKLW-TV is further affected by the fact that CRTC regulations do not allow it to carry many of the advertisements that can be broadcast in the United States.

The financial situation of the station is of public relevance because it affects the quality of programming which it can afford and also because of the CBC's purchase of a 25 per cent interest in the station in 1970 and its contract to take over 100 per cent ownership on May 31, 1975. The Auditor General's report recently revealed that CKLW-TV lost $3,135,000 in its first 13 months of operation and that the CBC will eventually be responsible for all losses sustained by its present principal owners, Baton Broadcasting Ltd. of Toronto.

• (1610)

The bleak financial picture is somewhat alleviated by the fact that $838,000 of this initial loss was for depreciation in the value of feature films which Baton Broadcasting had had to purchase, along with the station, from the previous owners, RKO General, at Detroit market prices which are much higher than those for Windsor alone. The introduction of Canadian content quotas will prevent CKLW-TV from showing many of the films before its rights run out.

It is also worth remarking that CKLW-TV has been adjudged to have made such an imaginative contribution toward local programming that it has recently won the Canadian Association of Broadcasters' award as the Television Station of the Year for 1972. Its 9 p.m. local news program and its efforts to promote the United Community Service campaign have been especially outstanding. It should be added that it makes no effort to do any local programming for Detroit. However, it remains true that the 40 per cent of the schedule which consists of U.S. re-runs has to finance the 60 per cent of the schedule which is Canadian. Channel 9 has a constant struggle to avoid being a re-run and old movie station.

[Mr. MacGuigan.]

The CBC has recently been subjected to criticism for entering into an allegedly one-sided deal in favour of Baton Broadcasting and its chief shareholder, Mr. John Bassett. However, this was not an ordinary market transaction but, rather, one into which the CBC was forced by the CRTC, which required it to assume an immediate equity position and to guarantee total acquisition in the near future. In return for the financing of the acquisition of the station by Baton Broadcasting and its turning it over to the CBC at the acquisition price at the end of a five-year period, the CBC agreed to reimburse Baton for its interest and carrying charges and for its share of any operating losses during the period.

This appears to be a reasonable enough arrangement for the CBC to enter into. At the same time, the station will tend to be a financial liability for the CBC when it takes it over in 1975. Indeed, since its advertising policy is more stringent than that of the CRTC, its financial position may well be worse than that of the present management.

Many of the financial disadvantages of CKLW-TV are inescapable regardless of who operates the station, but the CBC's own border-protection policy is not. It is this which adds the final indignity to the situation. Dr. George Davidson, president of CBC, was quoted by Ron Base in the Windsor *Star* of January 17, 1972, as saying in an interview: "The thing I'm concerned about is the position of the Windsor station when it becomes CBC-owned and operated. I'm saying frankly that when that happens it will have to be treated like any other CBC station." To a Windsorite these words are not so much a reassuring conclusion about what will happen in mid-1975 as a discouraging reiteration of the CBC's intention to maintain the status quo as long as it can. The CBC expresses, not repentance but confirmation in sin.

The peculiar reasoning behind the CBC's border-protection policy is highlighted by the attitude it displayed in April of this year regarding the televising of the quarter-final games in the National Hockey League play-offs. Since the Detroit Red Wings did not gain the play-offs, there was no border-protection clause to interfere with channel 9's carrying the games. If the NABET strike had not been in progress at the CBC at the time, channel 9 could merely have joined the CBC network. However, as a result of the strike McLaren Advertising, which handles the television rights of the games for the NHL, transferred those rights to the CTV network from the CBC.

As a station whose licence from the CRTC provides that it should carry CTV programs, CKLW-TV applied to the CBC under its affiliation agreement for permission to carry this CTV program. The CBC refused permission on the ground that this would involve splitting the network. This argument struck television viewers in Windsor as a mere rationalization, in light of the CBC's willingness to split the network to the disadvantage of Windsor viewers

whenever there appeared to be a possibility of financial advantage to it in so doing.

The hockey deadlock was broken by a combination of two factors: CKLW-TV carried the CBC network program as it was required to do, but paid WTVS, channel 56, a non-network UHF station in Detroit, to carry the first quarter-final games for it on April 5 and 6. This pressure, coupled with probable pressure on the CBC from the CRTC, induced the CBC to change its policy on April 7, and from the third game onward CKLW-TV was allowed to join the CTV network to present the rest of the playoffs to Windsor sports fans.

In its statement of April 5, 1971, the CBC ranks the economic factor of increasing the private producer's chances for U.S. sales—and, presumably, its own chances where it is the sole producer, though, of course, it does not admit the possibility of border protection in such a case—over any cultural factors, or indeed over any economic factor relating to the well-being of channel 9. But in point of fact it has not succeeded in selling in the United States any of the programs denied Windsor, so that the economic benefit which it places above all else is not actual but is at best potential.

On the other hand, it has been shown that no actual financial detriment occurs by allowing channel 9 viewers to see programs in advance of or at the same time as the rest of the Detroit market. The BBC sold its series on "Henry VIII" to a major U.S. network even though it had been previously shown on channel 9. Even more striking is the fact that "Harvey", an American special shown on March 22 of this year, was seen on channel 9 at the same time as on U.S. stations. This resulted from the fact that "Harvey" was taped at John Bassett's production studios at CFTO-TV in Toronto and was also shown on the CTV network. Mr. Bassett successfully insisted that any show produced at his studios and shown on the CTV network must be made available to Windsor.

The only conclusion possible is that the CBC's giving in to border-protection pressures, real, potential or imaginary, is an indication of commercial ineptitude. In actuality, no benefit has accrued to the CBC from border protection. In actuality, no detriment has occurred to other networks which have refused to discriminate against Windsor. In actuality, there is no economic sense to the CBC's economic argument. I need hardly add that there is no non-economic argument to which the CBC could appeal, since its position is, from the socio-cultural viewpoint, an absurdity.

In sum, the CBC policy with respect to Windsor television is a tissue of contradictions. A CBC-produced television series was denied to Windsor viewers on January 23, 1972, in contravention of the CBC's own announced policy of April 5, 1971. Channel 9 is beggared by the CBC even though it will have to pick up in 1975 the deficit to which its own policies contribute. The CBC denies programs to Windsor to gain selling advantages in the United States and then fails to sell in that market.

The president of the CBC recognizes that the CBC will have to abandon as untenable in 1975 policies which it now insists on following. The network can easily be split to Windsor's detriment when it is deemed to be advantageous to the CBC, but when a program split would be advantageous to Windsor it is found to be inconsistent and illogical. The CBC, which exists to promote Canadian culture, attempts to limit its availability in Windsor. Of such insubstantial stuff is the CBC's policy towards Windsor fabricated.

In conclusion, I would ask the House to support my motion to refer this CBC mistreatment of Windsor to the broadcasting committee for a thorough investigation, one which would allow the intensive questioning of top CBC officials. I am convinced that such a study and the eventual report of the committee would bring about a change in the present unenlightened and discriminatory policy of the corporation.

It may be, Mr. Speaker, that "Jalna" is the CBC's "Edsel", as president-designate Picard has remarked, but residents of the automotive city of Windsor have the expertise and judgment to carry out their own vehicle tests. It is this cultural choice, so vital to a healthy democratic society, which they are being denied by the CBC. I hope that the CBC will be able, like the rest of us, to accept the consequences of democracy.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, it is ironic that in what may be the last debate of the twenty-eighth Parliament we should be dealing with one of the aspects of national identity. There was a debate of short duration a couple of days ago arising out of the Dominion Day episode. That had to do with our identity. This debate, however, brings us into the equally important arena in which we ask, "How are we to hold on to things Canadian and maintain Canadian values when our large neighbour to the south threatens to overwhelm us?"

From the point of view of the economics of this situation, I would imagine that the Windsor area stands alone. If one examines all the other cultural confrontations along the American-Canadian border one realizes for instance, that Montreal is vast enough to overwhelm any influence of Palm Springs, Maine and similar areas on the other side of the border. Toronto, perhaps, has a much tougher time dealing with the influence of Buffalo; but it is a city large enough to cope adequately with the situation.

• (1620)

Windsor, smaller than Detroit, really is in the nutcracker in this problem. Western Canadian cities are large enough to hold off American challenges. That is the nature of this kind of economics. One area of Canada, represented by, among others, the hon. member who has just spoken, has been suffering because of the desire of some Canadians at least to make dents in the American television market.

If we examine the statistics regarding viewer preference of television stations, the Americans, being much more parochial than Canadians and much more nationalistic-minded, probably will not be seduced over to a Canadian station in any event. They tend to follow the mass media and basic television fare. Our noble experiments in Canada will attract but few.

As for "Jalna," perhaps it is a mercy that the residents of Windsor did not have to see it when the rest of us did. It gives the knowing Windsor person an opportunity to write

to someone on the outside to find out what the series was all about. Maybe they could have the program translated into simple terms. It was an extraordinarily difficult production to follow. I enjoyed it, but I did not understand it.

This was a strange year in dealing with estimates of the government. One of the largest and most controversial agencies, the Canadian Broadcasting Corporation, did not have its representatives appear before the Standing Committee on Broadcasting, Films and Assistance to the Arts. This was partly due to the protracted labour difficulties that had gone on between the CBC and NABET. The fact is that when the deadline arrived by which the estimates were to be considered, those of the CBC were not subjected to scrutiny and, perforce, they were passed pursuant to the Standing Order of the House of Commons. It might have been there that the hon. member could have made his mark earlier this session. I realize that he is asking for this matter to be referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts. I will support his motion in that regard, but it is a hollow thing. I do not imagine the members of that committee would be overjoyed with the prospect of trooping back to hold hearings this summer. In any event, the hon. member has not indicated that is what he wants to do.

I am sorry the hon. member did not take up this matter when the season of original shows was in full bloom, rather than the present season of re-runs. We could then have called witnesses. It would have given us a chance to examine the CBC on its philosophy without getting mixed up with their labour situation. Perhaps the most ironic factor in this whole strange business involving the Windsor television station is that the CBC, in the interest of expediency and trying to make some sales to the United States, found it necessary to turn its back on the mandate Parliament had given to it. The CBC was formed four decades ago to help Canada achieve its identity, stay together as a nation and help foster Canadians as actors, broadcasters, writers, musicians and all the fields of the dramatic arts. I think it would be this point which would most exercise us if we were to examine the Windsor problem in the broadcasting committee this summer. If not, it will certainly exercise the members of the broadcasting committee who will deal with it at the next session or in the new Parliament.

The CBC has always been tripped when it has shown itself to be overwhelmed by the cashbox mentality. In any event, it has not been conspicuously successful in that regard. It has certainly become a very bad cropper on this Windsor issue. It has left the people of that area down and has not shown a Canadian spirit by adopting the policy that it has adopted. For those reasons, Mr. Speaker, I will support the hon. member's motion.

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I listened with a great deal of interest to the remarks of the hon. member for Windsor-Walkerville (Mr. MacGuigan) about the problems of the television station in Windsor, which is next door to the metropolis of Detroit. As the hon. member for Halifax-East Hants (Mr. McCleave) said, the general purport and philosophy of this motion will find favour with all members of the House. The hon. member for Windsor-Walkerville is aware of the problems surrounding private members' motions. In general, members usually support each other's private motions and discuss them at length, so they rarely come to a vote. Even if this motion came to a vote, in view of the fact we are in the closing minutes of this session, and perhaps in the closing minutes of this twenty-eight Parliament, it is difficult to see what could be done in a meaningful way.

I listened carefully to the explanation of the motion. When I heard some of the scuttlebutt I thought the hon. member was moving a motion to have the House try to bring "Jalna" to the Windsor residents. I have great regard for the hon. member for Windsor-Walkerville. He was a very esteemed chairman of the constitutional committee which travelled from coast to coast dissecting or trying to arrive at a new charter for Canada. He came in contact with many Canadians. I am relieved to find that, being exposed to Canadians from coast to coast, he was not taking the time of the House to try to have "Jalna" brought to the people of Windsor, good people though they may be. As the hon. member said, "Jalna" has become an "Edsel." I watched it once or twice and I really started to wonder about the CBC.

I think another hon. member wants to contribute his thoughts in respect of another area of discrimination in television service. However, I would like to make a few points. I agree with the hon. member for Halifax-East Hants that it is rather ironic that in the closing hours of this session, or this Parliament we are talking about communications. Communications is one of the real problems in trying to define something that is called Canada. There was worry about the physical bindings which hold this country together, whether they are the CPR, the CNR or the Intercolonial Railway. It was the physical approach that helped to bind this nation. Now we have electronic highways, electronic air. But communications is one of the cohesives or adhesives of a nation.

• (1630)

In Atlantic Canada, where I come from, you turn on the news in western Nova Scotia and invariably get the cookie sale in the Moncton baptist church, or you turn on the news from CBC or CTV in western Nova Scotia and you find out what the Saint John Girl Guides have done at their Brownie festival.

The CBC should not only help to correct the problem of the hon. member for Windsor-Walkerville but should start to correct the discrimination existing in other areas of Canada, particularly in Atlantic Canada where all we get in Nova Scotia is news from New Brunswick—their news, their stories, their cookie fairs, New Brunswick teas. We are in Nova Scotia and we want Nova Scotia news. It is one thing to have an airport called Halifax, which sometimes gets fogged in, and to have to land in Moncton—I have nothing against Moncton or the province—but I would like to know what Quebec would do if the alternate airport serving a Quebec airport were in Ontario.

I think it is an insult to the jurisdiction of Nova Scotia that the alternative to the Nova Scotia airport should be in another province, four hours away from Halifax. But in transportation we have to accept the fact that sometimes there is fog in Halifax and we have to land in Moncton even though Greenwood, one of the best air bases in western Nova Scotia, is available and is free from fog.

The hon. member for Trinity (Mr. Hellyer), and the Minister of Energy, Mines and Resources (Mr. Macdonald), both former ministers of national defence, know the attributes of Greenwood and know there is no fog there. I am glad to be the member from this area which has no fog, even though sometimes I may try to create a little. Be that as it may, there is discrimination on the part of the CBC.

There are only a few minutes left, Mr. Speaker, and there are many other serious things I wish to say. However the hon. member for Windsor-Walkerville has brought to the floor of this House in the closing moments of this Parliament a question with respect to the CBC which I think every Canadian taxpayer wishes to see raised before the relevant committee of the House.

We did not take the opportunity this year to discuss the CBC estimates, because of the NABET strike. We did not want to get involved in that sensitive jurisdictional conflict. But the budget this year amounted, I think, to some $190 million. The fact is that the CBC during my time in the House over the last five years has more than doubled its operating budget. This makes the expenses for running the CNR a picnic by comparison. It is time we looked at the operations of this corporation. Maybe one of the good things emerging from the NABET strike is that Canadians managed without a CBC service and were able to live without it and enjoy the programs they received from alternative networks or through cablevision.

The hon. member for Windsor-Walkerville mentioned the CRTC. There are a whole raft of problems connected with the CRTC, cable vision, Canadian content and the whole issue of communications. I, too, hope this whole list of items will be referred to the new broadcasting committee if there is a dissolution of this House before we next meet, or, should the House reconvene in September, that we will deal with it then.

As far as the NABET strike is concerned, it took us years in Atlantic Canada to get the national news at eleven o'clock, the same as every other Canadian community. For some incomprehensible reason, even though the strike is settled, we are still getting the national news at twelve o'clock. This may be thought to be a small and picayune point, but I suggest to you, Mr. Speaker, if you watch the national news, that you imagine watching it around twelve o'clock until 12.30 or 12.45. Since we are such God-fearing folk in the east who go to bed early and like to get up early to work a hard day, that difference of an hour at night has quite an adverse effect on our physiology, let alone our psychology. So in these two ways we are affected.

I completely agree with the hon. member for Windsor-Walkerville. I was a member of the broadcasting committee and I know he was involved, indeed, overinvolved, in the constitutional issue. I referred to him in jest as the Marco-Polo of the constitution, the way he moved all across the country trying to resolve that large problem. Today, in the dying minutes of this session he is trying to resolve a more local problem. He has my deep sympathy. But I do not want it to stay there: the CBC must expedite its plans for satellite service in western Nova Scotia. It is not good enough to say we will get satellite coverage in Nova Scotia in five years to give us reception in Nova Scotia from Nova Scotia rather than getting it from Maine or New Brunswick.

As far as the national news is concerned, Mr. Speaker, I do not see why, if the staff is in Toronto and the equipment is there—and it was not damaged during the strike—a couple of people not sitting on their buttons could fail to send the national news at eleven o'clock right across this land. So the hon. member has my sympathy and I hope we do something about this problem in the new session.

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I would like to make a few comments on the motion before us. I appreciate the motive of the hon. member for Windsor-Walkerville (Mr. MacGuigan) in the dying moment of this session and in the immediate pre-election period when something of this nature might be useful by way of improving his local fame.

Although I am prepared to consider his cry for some small thing of the nature of an alternative program, it does not seem very important to me. After all, I have to take into consideration the fact that almost 90 per cent of the geographical area of my constituency is not serviced by any kind of television service. Here we have a situation where the hon. member's constituents are exposed to a great variety of television stations and programs of all kinds, yet he is crying about them not being able to see "Jalna." Those of us who did see some of it, particularly myself, had a great desire to put a motion before the House to take the program off CBC television—and I am not trying to be critical of the efforts which were made by those who produced the show. I realize that those efforts were intended in part to effect an increase in Canadian content, but I think we all agree it was rather an amateur effort and in my opinion the viewers of Windsor-Walkerville did not miss much.

I should like to deal briefly with the absence of a television service in northern Alberta. Consider towns like Fort Vermilion, High Level and Fort Chippewyan, each having a population of 1,500 to 2,000 or more, where there is absolutely no exposure to direct television viewing at all. One of the biggest complaints I receive when I visit these areas is that my constituents do not have the opportunity to see their Member of Parliament on television. That is a various serious matter, I think hon. members will agree.

Mr. Nowlan: It might be a blessing in disguise.

Mr. Yewchuk: It is a very serious matter. People should be able to get the direct news and views from Parliament, to which they are entitled. The citizens of Windsor-Walkerville certainly have not suffered that kind of serious deprivation. Over the four years in which I have been here I think it is fair to say that the CBC has been involved in several controversies, whether over programming, lack of service to certain areas or labour relations. In any event, they seemed to be involved in greater difficulties than one would expect for a Crown corporation.

I have given this matter a great deal of thought and have several suggestions to make which I think would improve the efficiency of this corporation. I do not want to be misinterpreted: I do not want it to be thought that the people working in the CBC as reporters, those in the press gallery and in this area, are not doing a very fine job. Most of them are sincerely trying to do a fine job. But if you look at the corporation as a whole it is not very

difficult to agree that there is a degree of efficiency lacking in the corporation. For example, if we look at the coverage given by the CBC of a convention or meeting and the coverage given by a private station, it would appear that almost always the CBC has at least double the staff of the private corporation.

• (1640)

I do not know whether that is the result of union demands, an effort to do a better job or is sheer inefficiency. But in view of the fact that it is a public corporation that is responsible to the public an operation that is paid for in large part out of the public purse, we should look at ways of making the operation a little more efficient. I think experience in the past in other areas have shown that some participation by private enterprise almost always has the effect of improving the efficiency of an operation of this kind or the operation of any kind of business.

Therefore, I suggest that consideration be given to the sale of part of the CBC to private enterprise, perhaps on a 50-50 basis or on some other basis, thus incorporating into the administration of the CBC that element of efficiency which comes from private enterprise, which has to pay its own way. That suggestion is prompted in part by the fact that during the past four years I have been making efforts to get services into northern areas but have been told not to get too excited, that a satellite is just about to be fired into the sky and that everyone will receive TV service and be happy.

I cannot blame the CBC for the absence of such a satellite today. I can only blame the laziness of the government, as portrayed by a good number of its ministers involved in the satellite program. Four years ago I was told that a satellite would be up in two years. We are told today, four years later, that it will take another two years. It is a little discouraging to my people back home constantly to write them year after year and say that we expect a satellite to be up in two years, that receiving stations will then be built and they will have the pleasure of receiving the same privilege as is enjoyed by the rest of the country and seeing direct television on a live basis.

I have received communications from some of the educators in the area, for example the principal of a school who did a study of student marks on current events and their knowledge of current activities in this country. It was his impression that those students who were not exposed to direct news and public affairs programs, or to television viewing, were less informed on various topics. Therefore, from the education point of view his conclusions were that it is definitely detrimental to students attending school in such areas to be denied such facilities. I would be inclined to agree that is probably true. There is no question that education is not the only matter of importance which is a benefit from viewing television; television is also recreational. Unfortunately, not all of the intended recreational programs are useful, though they do take up leisure time and, viewed as a whole, are probably worth while.

I conclude by suggesting to the hon. member that in general I think his motion has been a waste of time. There are some very serious problems facing the country today, such as unemployment, with regard to which there have been no new initiatives recently by the government. The hon. member for Trinity (Mr. Hellyer) asked today whether any new initiatives were being proposed by the government, and the Prime Minister (Mr. Trudeau) replied there were none. We are all going home for the summer and are very disappointed at his statement since we were looking forward to talking to our constituents about something. If no new initiatives to combat unemployment are being taken, then the Prime Minister could at least have given us some new alibis to discuss with our constituents.

I see there is only one minister in the House, the Minister of Energy, Mines and Resources (Mr. Macdonald), so I should like to ask him directly whether he would write down the names of the three towns of High Level, Fort Chipewyan and Fort Vermillion and ask the cabinet to make a greater effort to ensure that television service is extended to the people in those areas.

To get back to the satellite program, I have had further communication with the CBC and apparently there is a lot more to it than just getting a satellite into the sky. There is also the question of allocating funds and doing preliminary surveys, as well as planning for the construction of receiving stations. While I do not know for sure how long it will take to complete these aspects, I am inclined to think it will be two, three years or more. But if we have to wait another two years before the satellite is put in the sky—

Mr. Orange: What about November 1?

Mr. Yewchuk: Which year?

An hon. Member: 1981.

Mr. Yewchuk: My hon. friend says it will be November 1, 1981, which is even later than I imagined. If it is sent up sooner, I will consider that a bonus. Then we must add the time required to obtain all the preliminary information that is necessary to deliver materials to isolated areas, and staff must be recruited to construct the receiving stations. So it appears very much as if it will take a significant period of time before the people, not only in my northern Alberta constituency but in the constituency of the hon. member for Northwest Territories (Mr. Orange), who is not taking this matter very seriously, receive television service.

An hon. Member: He knows more about it than you do.

Mr. Yewchuk: I am informed the hon. member for Northwest Territories knows more about it than I do, and that is quite possible. I hope he speaks as soon as I sit down and shares his knowledge with the House. I have been in fairly frequent and close contact with the CBC—I would say, in continuous contact—but I have not yet been given the information that this satellite is being sent up on November 1. I have been given the information that it may still be a couple of years away, and I would be inclined to think that is closer to the truth.

I see the hon. member for Northwest Territories is very anxious to participate in the debate. While I realize he is retiring from active political life, I am sure he is still interested in speaking for his constituents who are very

keen to receive direct, live television coverage as soon as possible. I had the opportunity and the pleasure to visit one of the major towns, Yellowknife, in his constituency about a month ago. I was quite impressed with the degree of desire by his constituents to have a receiving station built there. Apparently no effort has yet been made in that direction. I am a little amazed that the hon. member has not seen to it that construction has been commenced, since he states he had the information that a satellite would be launched by November 1. It seems to me that construction of such a receiving station should have been well under way by this time.

• (1650)

THE ROYAL ASSENT

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber.

• (1700)

And being returned:

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

Bill C-183, an act to amend the Canada Labour Code—Chapter No. 18.

Bill C-5, an act to amend the Farm Credit Act—Chapter No. 19.

Bill C-215, an act to amend the Pension Act—Chapter No. 20.

Bill C-230, an act to provide for the resumption of the operation of the ports of Montreal, Trois-Rivières and Quebec—Chapter No. 22.

Bill C-203, an act to amend the Representation Commissioner Act—Chapter No. 21.

Mr. Speaker: Before we adjourn I should like to remind hon. members that tney are invited to join me in Room 16. It will be an occasion to extend greetings and to wish one another pleasant holidays and good luck in any event that may occur in the months ahead.

[*Translation*]

Evidently, I would ask my hon. colleagues to join me in a moment.

[*English*]

I would also like to add one word. Earlier today hon. members were kind enough to extend warm congratulations to my humble person in the discharge of my work as Speaker. I think at that time I should have acknowledged that any measure of success of the Speaker depends on the co-operation of hon. members. It depends also on the assistance, guidance and counsel of the officials of the House of Commons.

Some hon. Members: Hear, hear!

Mr. Speaker: On numerous occasions in the past I have had occasion to remind the House, to remind visitors to Parliament and those interested in this institution, of the magnificent contribution made to the House of Commons by our distinguished Clerk, our distinguished Sergeant-at-Arms and the Clerk Assistants who make it possible for us to perform, if I may use the word, and to do our work from day to day as parliamentarians.

[*Translation*]

On behalf of my colleagues, I want to thank them sincerely and to wish them happy holidays, which they well deserve.

Mr. Marcel Prud'homme (Parliamentary Secretary to Secretary of State): You are an outstanding Speaker.

[*English*]

The House adjourned at 5.06 p.m., pursuant to special order made July 6, 1972, until Thursday, September 28, 1972, at 2 o'clock p.m.

HOUSE OF COMMONS

Thursday, August 31, 1972

The House met at 2 p.m.

ROUTINE PROCEEDINGS

WEST COAST PORTS OPERATIONS BILL

MEASURE TO PROVIDE FOR RESUMPTION AND CONTINUATION OF LONGSHORING, GRAIN HANDLING AND RELATED OPERATIONS AT WEST COAST PORTS

Mr. Speaker: Pursuant to notice given under the provisions of Standing Order 42(2) Mr. MacEachen, for Mr. O'Connell, seconded by Mr. Turner (Ottawa-Carleton), moves for leave to introduce a bill entitled, "An Act to provide for the resumption and continuation of longshoring and grain handling operations and operations related to longshoring or grain handling at ports on the west coast of Canada."

Is it the pleasure of the House that the minister shall have leave to introduce the said bill?

Some hon. Members: Agreed.

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

Mr. Speaker: When shall the said bill be read a second time? By leave, later this day?

Some hon. Members: Agreed.

Mr. MacEachen: Mr. Speaker, if I may rise on a point of order I should like to suggest to the House that it would be agreeable if we could proceed with the second reading of the bill that has just received first reading and, if that is possible, we would like to send the bill to the committee of the whole rather than to a standing committee. At the same time I would like to suggest, if it is agreeable to hon. members, that we might dispense with the private members' hour today in order to proceed with this bill.

Mr. Baldwin: This is perfectly satisfactory, Mr. Speaker. We would like to get to the matter as soon as possible so that the government can explain its inadequacies in this respect.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we agree to these two requests, namely, that the bill be considered in committee of the whole and that we suspend the private members' hour. It is always nice to be able to give the government something in the way of help. It needs it.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, we are in agreement with the procedure proposed today and we are happy to further in this way the business of the House.

[*English*]

Mr. Speaker: Hon. members have heard the suggestion made that the House dispense with the private members' hour from five to six o'clock, and also that the bill to which reference has just been made be referred to the committee of the whole House. Is it agreed and so ordered?

Some hon. Members: Agreed.

• (1410)

Mr. Speaker: Oral questions.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. In view of the fact that the bill just referred to has now had first reading and is to be debated on second reading within about 40 minutes, I wonder whether copies of it could not be distributed to members immediately.

Mr. Speaker: It was the intention of the Chair and the Table to see that copies of the bill were distributed immediately, and I think this is being done without further delay.

The hon. Leader of the Opposition (Mr. Stanfield).

Some hon. Members: Hear, hear!

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

UNEMPLOYMENT AND COST OF LIVING INCREASE—POSSIBILITY OF WITHDRAWAL OF PERSONAL INCOME TAX INCREASE EFFECTIVE JANUARY 1, 1973

Mr. Speaker: The hon. Leader of the Opposition.

Some hon. Members: Hear, hear!

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, unaccustomed as I am to applause, I should like to address a question to the Minister of Finance arising out of the continued high level of unemployment, in excess of 6 per cent seasonally adjusted, and the rapid increase in the—

Mr. Guay (St. Boniface): Make it good, Bob.

Mr. Stanfield: —cost of living.

Some hon. Members: Shame!

Mr. Stanfield: Has the government taken a decision not to proceed with the 3 per cent increase in personal income tax to come into effect next January in order that people may know where they stand?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the position has not changed on that question since the address I made on May 8.

UNEMPLOYMENT—EMPLOYMENT PROGRAMS FOR COMING WINTER

Mr. Stanfield: In view of this indecision and the prospects for a higher rate of unemployment this winter, can the minister state whether he has yet presented any plans to the provinces with regard to a winter employment program and, if not, when such may be expected?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I had thorough consultation with the provinces, as did my colleague the Minister of Manpower and Immigration, and the government's plans by way of special employment programs for the winter will be announced by my colleague.

COST OF LIVING INCREASE—GOVERNMENT POSITION

Mr. Stanfield: The minister may have had conversations but the premiers are very dissatisfied. I should like to ask the minister whether he has any specific measures to combat increase in the cost of living or whether he feels that the disbanding of the Prices and Incomes Commission is sufficient in itself to fight the increase in the cost of living?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, as the Prime Minister stated in the House, there will be a nucleus from the Prices and Incomes Commission remaining in office and contingency plans are always under review. I might say to the hon. gentleman that if Canadians review the price record and the consumer price index over the last seven months they will see that our record compares favourably with that of the United States despite the fact that they had wage controls and a wage and price freeze.

* * *

HOUSING

SUGGESTED INQUIRY INTO MONTREAL PROJECTS AND ACTIONS OF CENTRAL MORTGAGE AND HOUSING CORPORATION EMPLOYEES

Mr. David Lewis (York South): Mr. Speaker, I have some questions to direct to the Minister of State for Urban Affairs who, even if the roster applied, would be expected to be here on Thursday, but in his absence I must direct the questions to the Prime Minister. In light of a newspaper report that officers of Central Mortgage and Housing Corporation in Montreal are being or have been charged with having received gifts improperly, and in light of the evidence in the Dennis report that CMHC is oriented toward the developers and the whole situation that that reveals, may I ask the Prime Minister whether consideration is being given to instituting a full inquiry into the various projects in Montreal which have come under criticism in the Charney report, the Dennis report and now in the present situation?

Mr. David Weatherhead (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, perhaps I could answer the first part of the question. In view of the problems arising from the Projet Abeille, the project in Montreal which was mentioned, the minister formerly in charge of housing, now Minister of Consumer and Corporate Affairs, asked the Solicitor General to conduct a detailed investigation into all events connected with the project. As a result of the investigation by the RCMP, charges were laid against a former and a present employee of CMHC, as well as against persons connected with the building firm. CHMC has suspended the present employee pending the outcome of the trial. The difficulties with Projet Abeille have since been resolved by CHMC to the satisfaction of the home owners, either by buying back the properties from the purchasers or fixing up the properties to the satisfaction of the purchasers.

Some hon. Members: Hear, hear!

Mr. Lewis: Mr. Speaker, while thanking the parliamentary secretary for his reply, may I ask a question of the Prime Minister none the less. In view of the fact that the particular project to which the parliamentary secretary referred is not the only project which has been built in a substandard way and against which there have been complaints, in view of the fact there are at least two other projects in the same situation, and in view of the fact that the investigation by the Solicitor General is purely a legal investigation, will the Prime Minister consider, if he has not already done so, making a thorough inquiry into the methods of CMHC and CMHC officers in Montreal with regard to all the projects which have come under criticism from the people who have suffered because of the substandard situation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would have thought that the answer by the parliamentary secretary indicated clearly that the previous minister and the present minister were indeed very much aware of the complaints of some people as to the application of the programs and that they had acted very diligently indeed to make sure that any abuses were corrected.

Some hon. Members: Hear, hear!

REQUEST FOR PUBLICATION OF DENNIS AND OTHER REPORTS

Mr. Lewis: Mr. Speaker, may I now ask the Prime Minister whether he, on behalf of the government, is prepared to make public and distribute copies of the Dennis report and the Seadon report with regard to waste treatment plants and the part of CMHC in them as well as the other reports which have been prepared by task forces at the expense of the taxpayers and which would be of help to the Canadian people if they knew what the situation was?

Mr. Trudeau: As the House well knows, Mr. Speaker, the conclusions of the so-called Dennis report were published by the government at the direction of the minister. Therefore the public is informed on the recommendations and conclusions of that report. The minister explained, and it might be worth repeating, that the reason the report itself has not been made public is that it was prepared by a gentleman who had access to very confidential information, not only of the federal government but correspondence between federal and provincial officials and ministers, and that by the very nature of things this confidentiality must be respected.

Mr. Lewis: Mr. Speaker, in view of the fact that the Dennis report, which I have read, as the Prime Minister no doubt knows—

An hon. Member: And published.

Mr. Lewis: And published. When the government suppresses a document, someone has to put it out for the people to see. In view of the fact that the Dennis report very carefully avoids mentioning names in any references it makes to correspondence or memos, and in view of the fact that the information with regard to discussions within the department and between the federal and provincial governments with respect to the important issue of housing is precisely the kind of information Members of Parliament and the general public ought to have in order to judge what should and could be done, I ask the Prime Minister to inform the House whether his answer is final and all these reports will remain secret, known only to the government, or will he give consideration to making them public before the general election so they can be discussed across the country?

Mr. Trudeau: Mr. Speaker, I understand from the question that the hon. member has made public something in the form of a report. I am not quite sure what edition or version he has made public. I have not seen what he has published, but if he has indeed published what he calls the Dennis report I do not see why he is complaining about the government suppressing it. It is there to be read by those who want to see it.

• (1420)

With respect to the content of the report we had prepared for us, the government frequently asks experts, people who have special knowledge, to examine our programs, giving them access to confidential information in order that they may help us to improve policies. Many such pieces of advice are given to the government both from within and from without. Were the government to take the attitude that it would publish all the confidential information given to it, it would—

Some hon. Members: Speech. Order!

Mr. Trudeau: —it would only ask for reports from its friends.

Mr. Speaker: Order, please. We shall go on to the next debate.

[*Translation*]

REGIONAL ECONOMIC EXPANSION

CABANO—GOVERNMENT PARTICIPATION IN ESTABLISHMENT OF CARDBOARD PLANT

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I would like to put a question to the Minister of Regional Economic Expansion.

In view of the fact that the Quebec government has agreed to the construction of a cardboard factory at Cabano, could the minister tell the House whether the federal government will share in the construction of this plant and in the creation of new jobs in the Cabano region? If so, to what extent?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I have read in the newspapers that the provincial government had announced the payment of $3.5 million for the establishment of a plant in Cabano. We have been asked for an $8 million grant in addition to a $15 million guarantee, which means $23 million for a $30 million project. It is therefore normal that we should take a little more time to consider the matter.

* * *

[*English*]

PENITENTIARIES

REQUEST FOR PUBLICATION OF MILLHAVEN REPORT AND REPORTS ON ESCAPES

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Solicitor General a question. I trust he has had a good summer with some of the escapees.

Mr. Bell: Explain.

Mr. Woolliams: In light of the increase in crimes committed by some of those who have escaped from penitentiaries and by those who have already served terms for similar offences, will the minister now give the House an undertaking that he will make public the Millhaven report as soon as possible? Will he also make public as soon as it is available the report of L.P. Landry on the recent escape of six prisoners from St. Vincent de Paul as well as the report on the escapes in Vancouver?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, when we ask outside people to carry on an investigation on security in our penitentiaries, we evidently give them access to all useful information, in order to correct present conditions.

However, if we were to make that report public, we would only be providing to those we wish to keep in jail in order to protect the people some information on penitentiary security and make it easier for them to bring their plans into being.

I think that such is not the intention of the hon. member.

[*English*]

Mr. Woolliams: I take it from the minister's long reply that the answer is no and that these reports will be kept secret. Having in mind the minister's criticism of the guards on the ground that they failed to fire on the escapees, can he tell us whether this is part of his new reform policy for the penitentiaries?

[*Translation*]

Mr. Goyer: Mr. Speaker, there should not be any confusion whatever between rehabilitation and security. On that I was very clear. For a while I have been quite worried about regulations governing security in penitentiaries. In fact, since May the RCMP has been working in co-operation with our security services in these institutions in order to review the whole matter. We received a report recently and we shall act very quickly. Within a few days an assistant security director will be appointed to assess all our programs and regional directors will also be selected so as to make sure that high security prevails inside our penitentiaries and that there is no recurrence of incidents like those we had recently.

[*English*]

Mr. G. W. Baldwin (Peace River): Mr. Speaker, would the hon. gentleman take a leaf out of the Prime Minister's book and promise us an escape-free election?

Some hon. Members: Oh, oh!

* * *

TRANSPORT

SOUTHWESTERN ONTARIO RAILWAY PASSENGER SERVICE—ACTION ON COMMITTEE REPORT—MOVEMENT OF FEEDER CATTLE

Mr. R. E. McKinley (Huron): Mr. Speaker, I have a question for the Minister of Transport regarding the report of the Standing Committee on Transport and Communications on passenger service in southwestern Ontario. We were assured by the parliamentary secretary to the minister that action would be taken on this report and I am wondering what action has been taken?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, my recollection is that a formal appeal against the judgment was received by me at least from individuals. I am not certain whether I received one from any official body, but the matter is still under consideration.

Mr. McKinley: Mr. Speaker, the minister may be a little mixed up since his answer did not make much sense, but also included in that report was a request for some assistance in the form of representations by the minister to the railway companies for additional facilities to transport feeder cattle from western to eastern Canada. The time will arrive shortly when this will have to be done. Has any action been taken in that regard?

Mr. Jamieson: Mr. Speaker, I apologize if my answer was not sufficiently clear. Having regard to the second matter of feeder cattle accommodation, of course this was passed on immediately to the railways and I will be glad to make inquiries to find out what they have done about it up to date.

NEWFOUNDLAND—APPOINTMENT OF CONSULTANTS ON GROUND TRANSPORTATION

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I ask the Minister of Transport if he is now in a position to advise whether the consultants have been appointed and can he announce the names of these consultants in respect of ground transportation in Newfoundland as it affects the CNR?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I can provide the hon. member with a list of those who made submissions. These are now being evaluated. No official decision has been taken but I expect it will be made within a matter of a couple of weeks at the outside.

CANADIAN NATIONAL RAILWAYS' HUMP YARD, EDMONTON—REQUEST FOR REPRESENTATIONS CONCERNING NOISE

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I have a supplementary question for the Minister of Transport. In view of the fact that the shrieks and squeals at the CNR hump yard in Edmonton are having a hazardous effect on the health of 10,000 to 15,000 people, and in view of the fact no action has been taken to rectify this condition, will the minister take it upon himself to further intervene on behalf of these worthy citizens?

Hon. Donald C. Jamieson (Minister of Transport): Yes, I will be glad to, Mr. Speaker.

* * *

AGRICULTURE

ONTARIO AND QUEBEC—CROP DAMAGE BECAUSE OF ADVERSE WEATHER—FURTHER DISCUSSIONS WITH PROVINCES ON ASSISTANCE

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I should like to ask the Minister of Agriculture whether he is continuing discussions with the provinces of Ontario and Quebec with a view to giving assistance to those farmers who suffered from adverse weather conditions this summer?

Hon. H. A. Olson (Minister of Agriculture): Yes, Mr. Speaker. There will be further discussions to delineate the areas that will be designated for some of the payments and, indeed, for fodder assistance and that sort of thing, but I have announced a fairly comprehensive program involving both levels of government to make sure the livestock industry remains viable in the entire area, as well as some additional cash grants.

Mr. Gleave: Mr. Speaker, I should like to ask the minister whether this assistance will be given in addition to whatever crop insurance may be operative within the area?

Mr. Olson: The answer is yes, Mr. Speaker.

[*Translation*]

QUEBEC—PROGRAM TO ASSIST FARMERS AFFECTED BY CROP DAMAGE—REQUEST THAT MINISTER GIVE DETAILS

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to put a question to the minister.

Can he be more specific concerning the program which he has already announced outside the House, which aims at assisting farmers in Quebec, and more specifically those in the Eastern Townships? Could he also state clearly the policy that he meant to announce, a few days ago, in Stanstead particularly?

Would the minister clearly define the already announced program—

Mr. Speaker: Order. It seems to me that the hon. member for Shefford is inviting the minister to make a statement which does not belong necessarily in the framework of the question period. It appears that he is asking the minister to make a statement which should normally be made on motions.

• (1430)

[*English*]

If the minister can reply to the question briefly, he will be allowed to do so.

Hon. H. A. Olson (Minister of Agriculture): All I want to say, Mr. Speaker, is that complete details of all announcements have been sent to each member's office.

* * *

AIRPORTS

PICKERING TOWNSHIP SITE—PROVISION OF SPECIAL PUBLIC HEARINGS

Mr. Norman A. Cafik (Ontario): I should like to direct my question, Mr. Speaker, to the Minister of Transport. Has the government arrived at a decision respecting my numerous representations regarding special public hearings outside of the Expropriation Act in respect of the new proposed airport site in Pickering?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, the short answer is that the government has decided that there should be public hearings and that they will be conducted by an independent inquiry. However, in justice to those people who have been affected by the earlier announcement the expropriation proceedings will go forward in the normal course of events, and following that there will be the thorough airing concerning which the hon. member has made representations on many occasions.

Mr. Cafik: My question again is to the Minister of Transport. Can he assure the House that such hearings will provide an adequate opportunity to the public as well as to other levels of government to express their views in respect of this proposal?

Mr. Jamieson: Yes, Mr. Speaker.

INQUIRY OF THE MINISTRY

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I would like to address my question—

Mr. Cafik: Mr. Speaker, one further supplementary—

Mr. Speaker: Order, please. The Chair has recognized the hon. member for Prince Edward-Hastings who appears to have a question of moment to ask. I will recognize the hon. member for Ontario following that.

Mr. Hees: Thank you, Mr. Speaker. It is a question of great importance. I should like to address it to the Prime Minister. Would he now inform the House and the country whether or not he has yet screwed up enough courage to call a general election by the end of this week?

Mr. Speaker: Order, please.

Some hon. Members: Oh, oh!

Mr. Hees: He has no guts.

* * *

AIRPORTS

PICKERING TOWNSHIP SITE—PUBLICATION OF EXPROPRIATION PROCEEDINGS IN CANADA GAZETTE

Mr. Norman A. Cafik (Ontario): Mr. Speaker, I have a supplementary question for the Minister of Transport. Some months ago he indicated to the House that the publication of expropriation proceedings in the Canada *Gazette* would be taking place in the month of August. Can he explain to the House why this has not occurred and when it will occur?

Hon. Donald C. Jamieson (Minister of Transport): The reason it has not occurred—this is still the month of August and while it may be possible to do so I doubt we can get it in today—is that a tremendous number of legal searches of property titles have had to be carried out as well as the preparation of individual notices to these people. As soon as these are completed, which I hope will be in the near future, we will proceed.

* * *

TRANSPORT

CONSTRUCTION OF HIGHWAY AND BRIDGE BY QUEBEC THROUGH CAUGHNAWAGA AND LACHINE—FEDERAL GOVERNMENT PARTICIPATION

Mr. Raymond Rock (Lachine): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development but in his absence I will address it to the Prime Minister. Is the government permitting the Quebec roads department to build a highway and a bridge through Caughnawaga and Lachine even though I and the citizens of Lachine and Caughnawaga are against such a project—

Some hon. Members: Oh, oh.

Mr. Rock: —and what financial aid is the federal government contributing toward this unwanted project?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will take the question as notice.

Mr. Rock: I have a supplementary question for the Minister of Indian Affairs and Northern Development, but in his absence I will again direct it to the Prime Minister. It concerns the rejection of the request by Montreal, Lachine, and the Montreal urban community for the building of the Lachine canal park. Is the minister aware that no request was made to his department to reconstitute the park's historical characteristics, as the Minister of Indian Affairs and Northern Development continues to imply? All the people want is a canal that will be operational for pleasure craft.

Mr. Speaker: Order, please.

* * *

CANADA LABOUR CODE

INQUIRY AS TO PROCLAMATION OF AMENDING ACT

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to direct a question to the Minister of Labour. Can the minister tell the House whether Bill C-183, an act to amend the Canada Labour Code, passed by the House on June 30 and given royal assent in July, has yet been proclaimed and, if so, on what date?

Hon. Martin P. O'Connell (Minister of Labour): No, Mr. Speaker, that bill has not yet been proclaimed.

Mr. Knowles (Winnipeg North Centre): In view of the fact that there are references to Part V of the Canada Labour Code in the bill to be debated today, will the minister tell us whether the proclamation of Bill C-183 will be made immediately, during the life of the new bill or later?

Mr. O'Connell: Mr. Speaker, the references to Part V are references to the existing or older piece of legislation. The proclamation of the new bill will be proceeded with in due course. We are committed to conducting extensive consultations concerning the appointment of a new board with labour unions, with management and with parties knowledgeable in labour and industrial relations. Those consultations have now been concluded and the government is giving consideration to the appointment of a new board, which should precede proclamation.

Mr. Lincoln M. Alexander (Hamilton West): I have a supplementary question, Mr. Speaker. Can the minister assure the House that all matters about which he is concerned regarding this bill have been completed and that there is nothing left which would prevent the proclamation of the bill in the very near future?

Mr. O'Connell: Mr. Speaker, the new board has not been appointed. Consideration is being given regarding the members of the new board. It is extremely important that it be the best possible board that can be put together because of the very complex and onerous duties it will be asked to perform.

Mr. Alexander: I have a supplementary question—

Mr. Speaker: Order, please. Hon. members will appreciate that we will be running short of time. If there are too many supplementary questions we will be in difficulty in a short while. The hon. member for Hamilton West will be allowed a final supplementary question on this subject.

Mr. Alexander: Can the minister advise the House as to whether all the regulations applying to this bill have been dealt with and are now ready to be added to the bill in order that it can be proclaimed?

Mr. O'Connell: I would have to check on that point. I believe they are now ready, but if otherwise I will inform the hon. gentleman.

* * *

REGIONAL ECONOMIC EXPANSION

CLOSING OF LYNCH'S BAKERY, SYDNEY—REQUEST FOR ACTION TO ENABLE OPERATION TO CONTINUE

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. In light of the information released today that another industry has folded in Sydney, namely, Lynch's Bakery, putting 70 people on the unemployment rolls and adding to the already estimated 25 per cent unemployment, and in view of the fact that the minister is responsible for the Cape Breton Development Corporation which has been involved in this enterprise, would he cause an investigation to be carried out to ascertain whether some method can be discovered whereby the operation will be continued, enabling these 70 people to retain their jobs?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I will wait for the report of the president of Devco on this very important problem.

Mr. Muir: Would the minister attempt to get through today to see if something can be done because the situation is quite urgent as these people do not have any jobs whatsoever?

Mr. Marchand (Langelier): If I can get in touch with the president of Devco, I will do so today.

* * *

[*Translation*]

AGRICULTURE

QUEBEC—PROGRAM TO ASSIST FARMERS AFFECTED BY CROP DAMAGE—REQUEST FOR FURTHER AID

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a question to the Minister of Agriculture.

This morning he announced that an additional $9 million in direct subsidies would be paid some 22,500 producers, which represents $400 per producer; as this

amount will be inferior to the estimated damages, can the minister assure this House that, in view of this information, the producers will be able to get more money next September?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, the $400 that I announced this morning is only a very small part, in the case of many farmers, of the total assistance program which was made public a few days ago. The reason the first announcement was made a few days ago was that we wanted to assure all the people in the livestock industry that we were determined they would have adequate supplies of feed.

* * *

• (1440)

LABOUR RELATIONS

WEST COAST LONGSHOREMEN'S STRIKE—AWARENESS OF GOVERNMENT OF NEW MANAGEMENT OFFER AND NOTIFICATION OF PARTIES PRIOR TO DECISION TO INTRODUCE BILL

Mr. David Lewis (York South): Mr. Speaker, I should like to ask the Minister of Labour a question, although if he intends to give us the information on second reading of the bill that was given first reading a little while ago that, of course, would be satisfactory. I would like to ask him whether he and the government were aware that management had made a new offer on Tuesday morning before the decision was made to reconvene parliament for the purpose of dealing with the bill that has been introduced, and also whether the parties to the dispute were at any time informed of the government's intention to step in if an agreement was not reached?

Mr. Speaker: Order, please. The Chair will of course allow the minister to reply to the question asked by the hon. member for York South, but I think I should caution hon. members that we will reach the consideration of the bill to which the hon. member has alluded in five or six minutes time, and perhaps it would not be entirely in order to anticipate that order of the day by engaging in a debate on the bill itself. However, the minister may reply briefly to the question asked by the hon. member.

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, the answer to the first part is yes. As the government was coming to its decision it knew the employers intended to make and, indeed, on Tuesday did make a package proposal to the other side. The answer to the second question is no. I did not and no one in the government told the parties that unless they came to an agreement there would be action on the part of this parliament.

* * *

INQUIRY OF THE MINISTRY

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I wish to direct a question to the Prime Minister. In view of the strange resignation of Mr. Pickersgill from the Canadian Transport Commission the other day, will the Prime Minister, just before the election, assure the House that even though the new appointee will be a well known Grit he will be one who will be knowledgeable and appreciative of the transportation problems of eastern and western Canada?

Some hon. Members: Oh, Oh!

Mr. Speaker: May we have order, please.

* * *

NATIONAL DEFENCE

REPORT ON DAMAGE TO HMCS "RESTIGOUCHE"—POSSIBLE REACTIVATION OF VESSEL NOW IN OVERHAUL

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, may I ask the Minister of National Defence whether or not he has now received a report with respect to the damage done to *HMCS Restigouche,* whether or not he is prepared to act on that report and in fact decommission *Restigouche* and, if that is the course of action to be taken, does he intend to reactivate one of the four vessels now in a continuing overhaul configuration, with the use of the crew from the *Restigouche*?

Hon. E. J. Benson (Minister of National Defence): Mr. Speaker, the report in question has not yet been received. I expect to receive it in the relatively near future. However, I am informed that the damage certainly is not in the area speculated upon by the press.

SUGGESTED REFERENCE OF NAVAL CONSTRUCTION PROGRAM TO STANDING COMMITTEE

Mr. Doug Rowland (Selkirk): Mr. Speaker, I wish to direct a supplementary question to the Minister of National Defence. Is it his intention to refer the whole matter of the naval construction program to a parliamentary committee, probably External Affairs and National Defence, for study, especially since the damage to the *Restigouche* is only one in a long series of blunders?

Hon. E. J. Benson (Minister of National Defence): Mr. Speaker, I would not like to say that the damage to the *Restigouche* is a blunder. I am not sure of this. I am waiting for the report. I would point out that the committee did have before it both the estimates for the Department of National Defence and the white paper on defence and defence policy in the 70's. If the members had cared to go into the question of ship construction at that time we were quite willing to answer any questions.

POLICY RESPECTING CONSTRUCTION AND COMMISSIONING OF DESTROYERS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to ask the minister whether it is now the policy of his department and the government to build destroyers and then decommission other destroyers because there are not enough personnel to man them?

Hon. E. J. Benson (Minister of National Defence): Mr. Speaker, the policy has been stated many times that we

are to have 20 destroyers actively afloat, and we have crews for 20 destroyers. New destroyers have been built to replace those that are becoming obsolete. As the hon. member knows, one of the problems to be faced in the 70's is the fact that the older destroyers will become obsolete.

Mr. Speaker: Order, please.

* * *

GRAIN

WHEAT—INQUIRY AS TO SALES AT PRICES BELOW FARMERS' COST OF PRODUCTION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I direct a question to the Minister of Justice who reports for the Canadian Wheat Board. The western farmer is most interested in ascertaining the prices at which his wheat is being sold. As these prices are known to competitor countries, will the minister advise whether or not sales have been made to the U.S.S.R., to communist China and to Japan at different prices for the same grade in the last few months?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the exact selling price for grain is a matter which is decided upon by the Canadian Wheat Board according to their power under their act to attempt to get the best possible price for the farmers. From time to time members of the Wheat Board appear before parliamentary committees and certainly on such occasions they can explain to what extent they are willing to disclose prices and to what extent they are not. For my part, I am not prepared to put pressure on them if they feel it is in the commercial interests of the farmers not to disclose certain matters.

Mr. Diefenbaker: I want to put pressure on the minister to tell the truth in this regard. The farmers are asking for information. I ask him this: Is it not a fact that most of the wheat being sold in export today is at a price below the farmers' cost of production? If he can answer that I will want to know what the prices are.

Mr. Lang: Mr. Speaker, I can tell the right hon. gentleman that I am extremely satisfied with the performance of the Canadian Wheat Board in obtaining, in world competition, the best possible price available and still sell grain.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I understand that the minister can be satisfied with almost anything, because he has been satisfied with 50 ships in harbour in Vancouver waiting for wheat for the last several weeks, without complaint on his part. I ask him now definitely to answer this question: Is it not a fact that in the last six months the Wheat Board has been selling wheat at a price below the farmers' average cost of production?

Mr. Lang: Mr. Speaker, the question of an average cost of production is itself a rather complicated one. I am not prepared to state categorically what it is. I simply put back to the right hon. gentleman that if he knows the price below which the Wheat Board should not sell grain he should state it to the House.

Mr. Diefenbaker: Mr. Speaker, I have been asked whether I know—

Mr. Speaker: Order, please.

Mr. Diefenbaker: I therefore—

Mr. Speaker: Order, please.

Mr. Diefenbaker: Mr. Speaker, you are standing, but I have been asked a question—

Mr. Speaker: Order, please.

Mr. Diefenbaker: —and the government in this respect requires information.

Mr. Speaker: Order. The right hon. gentleman knows he should resume his seat when I try to restore order in the House.

Some hon. Members: Hear, hear!

Mr. Speaker: The right hon. gentleman has asked a question. I am not sure whether he wants to reiterate or repeat the question—I think the right hon. gentleman prefers the latter word—but it seems to me the question has been asked twice—

Mr. Diefenbaker: No, no.

Mr. Speaker: —and answered by the minister, perhaps not to the satisfaction of the right hon. gentleman. I would hope we could get on to the next question.

Mr. Diefenbaker: On a question of privilege, Mr. Speaker, the minister asked me whether I can say that the prices of export wheat from Canada in the past six months in many cases have been below the cost of production. He apparently has not got the information, and I so advise him that such is the fact.

Some hon. Members: Hear, hear!

Mr. Lang: Mr. Speaker—

Mr. Speaker: Order, please. Would the minister kindly resume his seat? There is one minute left before the end of the question period. I suggest it is not for the minister to ask questions of the right hon. gentleman or for the right hon. gentleman to answer questions asked hypothetically, I gather, by the minister. We should go on to the next question because there are just 60 seconds left before the end of the question period.

* * *

• (1450)

[*Translation*]

AGRICULTURE

QUEBEC—REQUEST FOR IMMEDIATE LEGISLATION TO COMPENSATE FARMERS FOR CROP DAMAGE

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is directed to the hon. Minister of Agriculture.

In view of the seriousness of the situation and the farmers resentment, will the minister introduce, during this session, a special measure aimed at correcting this situation, in order to assure the survival of farming in the areas affected by bad weather since spring?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I cannot agree with the premise on which the question was based, that there has been general dissatisfaction. I made a tour of the area both in Ontario and Quebec and the main concern was, of course, to make sure that the livestock industries would remain viable. Provision has been made for that, and whether or not the other amounts are high enough I think is a matter of debate. We think they are fairly good.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I have a supplementary question.

Following—

[*English*]

Mr. Horner: How many cows will $400 buy, Bud? Are you in the cattle business? One milch cow at best. Harry Hays said—

Mr. Speaker: Order, please. We have reached the end of the question period. The hon. member for Bellechasse will ask his supplementary, if we are privileged enough to be allowed to hear him. Order, please.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, may I ask the Minister of Agriculture if the results of his meetings with his Quebec counterpart will soon be made known to us and if the Quebec government is ready to co-operate with the central government in the application of truly efficient measures instead of being content with piecemeal ones—

Mr. Speaker: Order. The hon. member is making a speech. He should be asking a question.

[*English*]

The minister may reply briefly and then I shall call orders of the day.

Mr. Olson: Mr. Speaker, the answer is yes. There have been very useful discussions with the Minister of Agriculture of Quebec and they have led to a comprehensive program that is going to be helpful and, indeed, more particularly to co-operation between the two levels of government in administering the various programs. I should advise the hon. member again that details of the whole package of programs have been sent to his office.

Mr. Speaker: Orders of the day.

Mr. Lundrigan: On a point of order—

Mr. Speaker: Order, please. The hon. member for Gander-Twillingate rises on a point of order.

Mr. Lundrigan: Mr. Speaker, in view of the fact the Minister of Manpower and Immigration allowed motions to go by without rising to explain the controversy surrounding the unemployment insurance fund, I wonder whether he would be prepared to ask unanimous consent to revert to motions in order to make a detailed statement on the present position?

Mr. Speaker: Order, please. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not. Orders of the day.

* * *

VACANCY

Mr. Speaker: Before proceeding to orders of the day, I should indicate to the House that I have received a communication notifying me that a vacancy has occurred in the representation, namely:

David Anderson, Esquire, member for the electoral district of Esquimalt-Saanich, by resignation.

Accordingly, I have addressed my warrant to the Chief Electoral Officer for the issue of a new writ of election for the said electoral district.

• (1500)

GOVERNMENT ORDERS

WEST COAST PORTS OPERATIONS BILL

MEASURE TO PROVIDE FOR RESUMPTION AND CONTINUATION OF LONGSHORING, GRAIN HANDLING AND RELATED OPERATIONS AT WEST COAST PORTS

Hon. Martin P. O'Connell (Minister of Labour) moved that Bill C-231, to provide for the resumption and continuation of longshoring and grain handling operations and operations related to longshoring or grain handling at ports on the west coast of Canada be read the second time and referred to the Committee of the Whole.

He said: Mr. Speaker, no one will regret more than I the necessity of introducing this legislation to the House. The bill that we have under consideration today provides for the resumption and continuation of longshoring operations and, if necessary, grain handling operations at ports on the west coast.

This government, and indeed predecessor governments, does not wish to deprive trade unions, employers and employees of the full rights of collective bargaining. But there are occasions when Parliament must deal with situations, when the full resort to economic warfare by strike or lockout so impairs the ability of others to carry on their activities that it can be said to be against the national interest for the work stoppage to continue. Parliament in this case was recalled as a last resort when it was evident that the ports on the west coast would not resume operations for some weeks if normal collective bargaining procedures were allowed to take their course.

I do not think any honourable member will deny that a critical and urgent situation exists in western Canada as a direct result of the cessation of the longshoring operations of the ports on the coast of British Columbia. Already damage to the economy of Canada is evident and will mount at an increasing rate the longer the ports are closed. By far and away the hardest hit at this time is the grain economy on its external markets. This important sector of the economy is presently in the greatest jeopardy should the ports remain closed. British Columbia, too, has an export-oriented economy, and it is of the utmost importance that there be no prolonged closure of its ports. As the Prime Minister (Mr. Trudeau) said when he announced the recall of Parliament,

> This government does not intend to permit the benefit gained by all Canadians from its international efforts to be dissipated by a prolonged closing of the ports.

Mr. Alexander: When did he arrive at that view?

Mr. O'Connell: The Canadian Wheat Board has undertaken very large sales commitments to Russia and China, in addition to its regular sales to Japan and other nations. Indeed, our capacity for moving grain has been overstrained to meet these commitments. This export movement of grain has been concentrated through the port of Vancouver which has now been closed for 25 days.

The Asian market has been of growing importance for Canadian grain sales and has greatly enhanced the significance of shipments through the west coast ports, principally Vancouver. But one very important element in grain marketing, as it is in other businesses, is the ability of the seller to deliver on schedule. If our customers cannot depend on our shipments they will look to competitors, which can result in the permanent loss of markets. It is estimated that Canada's shipments have fallen behind by 30 million bushels and it will take a great deal of effort and additional cost to catch up. Any further delay in the resumption of operations will make it virtually impossible to do so. Not only have shipments fallen behind, but our grain transportation facilities are seriously dislocated and it is anticipated that it will take up to one month to get grain moving normally again. Future sales may well be precluded or lost by the inability of the system to deliver at a time when delivery capacities are already over-taxed by high sales volumes and catch-up efforts.

Mr. Speaker, it is perhaps desirable at this point for me to give hon. members the background of the dispute affecting the longshoring operations. I am going to say something further in a few moments about another dispute, the second dispute which complicates the first and that is the dispute with respect to grain handling operations as opposed to longshoring operations. In the case of the longshoring dispute, the previous collective agreement expired on July 31, 1972, between the British Columbia Maritime Employers' Association, which represents some 61 member companies in collective bargaining, and the International Longshoremen's and Warehousemen's Union, which through various locals, represents some 3,300 longshoremen employed by these companies, at the ports of Vancouver, New Westminster, Chemainus, Port Alberni, Victoria and Prince Rupert.

Direct negotiations between the parties took place on five occasions during May and June. No agreement was reached. On June 7, the union requested the appointment of a conciliation officer. Two west coast officials of my department were appointed, but they were unsuccessful in bringing the parties to an agreement. The conciliation officers recommended the appointment of a conciliation board which I did appoint on July 24 with Dr. Noel Hall of Vancouver as chairman. The board met with the parties on July 26, 27 and 28 and reported to me on July 31.

The report, which was unanimous, indicated that the board felt it could serve no useful purpose at this stage because one party to the dispute took the position that meaningful progress toward resolving the dispute could only be made through direct talks between the parties.

Despite the fact that the board was unable to make recommendations on the substance of the matters in dispute, the chairman held himself available to assist the parties in any way possible and obtained an agreement from the parties that they would seek the assistance of the board before there was any breakdown in direct negotiations. The report was released to the parties on August 1, 1972 and, pursuant to the Labour Code, the parties were in a position to strike or lock-out on Monday, August 7 at midnight.

On August 6, complications arose affecting the port of Vancouver only, when longshoremen on regular work assignments resigned and reported for work on the daily despatch that applied to all other longshoremen at Vancouver. The dispute involving the despatch of the men has not been resolved and the port of Vancouver has remained closed since that date.

Various efforts to halt this work stoppage were made by the parties themselves and by my officers, but these met no success. Efforts were also made during this time to work out arrangements with the unions, as was done in 1969, to load grain on a voluntary and temporary basis through the National Harbours Board. The union, however, desired a permanent collective agreement arrangement with the board or another governmental agency to replace the agreement covering this work with the British Columbia and Maritime Employers' Association. The union's proposal had far-reaching implications which would require an extensive study which could not be commenced, let alone completed in the time available. Accordingly, the government felt that it could not accept the union's proposal.

Dr. Hall made further efforts to seek a solution to the dispute, but he was unable to do so. On August 10 and 11 the union took a strike vote of its membership employed at all west coast ports which authorized the union executive to take strike action. The remaining five ports were struck on August 23.

Well before that date, on August 14, I sent Mr. W. P. Kelly, Assistant Deputy Minister of Labour, to Vancouver to assist Dr. Hall and to discuss other avenues to settlement. Again, no progress was made in the resolution of the dispute concerning despatching.

The day following the general shut-down of the west coast ports, I travelled to Vancouver and met with the representatives of the employers and the union. The first

meeting took place jointly. Subsequently meetings took place separately.

At the time of my arrival on the west coast, there were no negotiations in progress. Both parties agreed to meet and did so the following and subsequent days. Both parties desired some days of direct discussions because the complex issues involved in the dispute had not previously been explored. Neither party wished to have the assistance of my officials, but they agreed to meet daily and to make progress reports to me daily. While the atmosphere of the meetings appeared to be good, the parties could not assure me that an agreement would soon be forthcoming. Therefore, it became the government's view that the emergency which already existed could only deepen while collective bargaining proceeded over a period of several weeks.

The bill before the House provides for the resumption of longshore and related operations on the west coast while the parties continue to bargain for a settlement of their dispute. It provides for the extension of the collective agreement to December 1972, or until the parties make a new agreement, whichever is earlier. It also provides for further mediation. Strikes or lockouts during the extended term of the agreement are prohibited by the legislation.

Hon. members will observe, Mr. Speaker, that there are two main parts to the bill. Part I deals with the longshore dispute. Let me now deal with Part II of the bill which parallels in most respects Part I. There are separate and distinct operations from longshoring involving grain movement which are carried on in Vancouver by five elevator companies. Some 500 employees of these companies are represented by the International Union of Brewery, Flour, Cereal, Soft Drink and Distillery Workers of America. Part II of the bill before us applies to these operations in contrast to Part I which applies to the longshore operations which do indeed involve grain as well as other commodities moving to the ports.

At the outset, I wish to point out particularly that this part comes into effect only on proclamation, and I hope that no proclamation will be necessary. The present situation in this dispute is that the collective agreement between the elevator companies and the union expired on November 30, 1971. Since that time extensive negotiations have been conducted and the conciliation officer and conciliation board procedures have been complied with and followed. The conciliation board reported to me on August 16, 1972 and the report was released to the parties and made public on the same day. Thus a strike or lockout could legally have commenced at midnight on August 23, about a week ago. The companies have rejected the recommendations of the majority of the board. The union accepted the recommendations, but desired some clarification from the chairman of the board. The chairman of the conciliation board has very recently supplied the information requested and it was remitted to the companies and the union yesterday.

• (1510)

I do expect that the parties to the second dispute, this elevator and grain handling dispute, will reach an early settlement. Regretfully, though, it will not be in time to relieve the government of the obligation to deal with this situation in the bill now before the House. It is, therefore, essential that when port operations do resume as a consequence of part one of this bill the movement of grain should not be disrupted again by failure to reach agreement on the second dispute. If there should be a settlement of the second dispute, I repeat, there will be no proclamation with respect to part two of the bill. Because an early settlement of the longshore dispute is not apparent—indeed, it does not seem apparent in the next several weeks—and because of the critical situation in western Canada and in British Columbia in particular arising from the halting of shipments of grain, potash and other commodities from the prairie provinces, and of lumber, mineral and other products from British Columbia, it has been necessary to introduce this bill. I should add that in British Columbia the stoppage of loading operations has paralysed coastal shipping carrying supplies to remote ports and islands.

The basic purpose of the bill before us is simple. It is to bring about a resumption of port operations while negotiations continue toward a settlement. It is to interfere as little as possible with the collective bargaining process. It is to leave the parties, as they wish to be left, to negotiate directly, and, with the assistance of mediators, to arrive at an agreement which they can live with and want to live with during the next period. I sincerely regret that for the reasons outlined to the House there is no practical alternative to the adoption of the bill before us. Mr. Speaker, I now move its second reading.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, here we are again. We are back in a situation similar to that of about two months ago with the government, trying to make up for weeks of doing nothing by pushing the emergency button, pushing this button only after enormous damage had been done to the economy of the country. After a month of watching from the sidelines while every western province saw the prospects of economic disaster grow steadily, the government jumps in an attempt to put over an illusion of decisiveness and decisive action.

Some hon. Members: Hear, hear!

Mr. Stanfield: Sir, the government may delude itself, but it can no longer delude or fool the Canadian people, because it has tried the same trick too often. Here we are again, this time called together by a government which has become so accustomed to lurching from crisis to crisis that it now lacks even the decency to apologize for its failings or to present excuses for its ineptness.

Hon. gentlemen opposite have a great deal to answer for. They have certainly chalked up a long list of failures, but nowhere has their record been worse than in this whole field of labour relations and labour disputes. During the spring and early summer those of us who sit in this chamber witnessed the spectacle of the government and, particularly, of the minister, stumbling along week after week until the Quebec dock situation had deteriorated to a point at which they had no option but to call upon Parliament to act. In the past month we have seen the government, first ignoring and then denying, the importance of what was taking place in the west coast port. It

has only during the last month discovered that an emergency existed. It was, of course, only a coincidence that this emergency occurred at the time when the political cabinet was due to meet to discuss the prospects of an election.

I say to the government through you, Mr. Speaker, that this dispute did not spring suddenly from nowhere. It has been obvious for some time that profound differences existed and that an agreement would not come easily. But the government took no action of any significance. Even after the contract of the grain handlers expired last year and the one for longshoremen expired on July 31, after which the threat of a walk-out became more urgent daily, the federal government and the minister failed to take any active part; they did not actively move to achieve a settlement. Even after the Port of Vancouver was shut down on August 7, the federal government continued to tap its heels.

I shall not go through the chronology of events; the minister has done this, to some extent. But on August 17, ten days after the Vancouver walk-out had begun, an appeal from the premier of British Columbia that the situation be treated as an emergency received a somewhat cavalier reception from the Prime Minister of this country. I quote him as reported. "I do not see" he said "what it would accomplish to declare ... a disaster area. What does he want us to do—declare another War Measures Act?" The reference was to the premier of British Columbia. I see the minister from Calgary smiling. I suppose it is amusing to him. The comments of the Minister of Labour (Mr. O'Connell) on this request coming from the west were not as amusing as those of the Prime Minister. He was quite clear, though. I quote him as reported. "To elevate the dispute at this time to the category of a national emergency would be premature." This was just a few days ago, after Vancouver had been tied up for some time and after the strike had extended to all the west coast ports, with the result that difficulties were increasing throughout western Canada.

• (1520)

All the rest is history. Even while the minister was muttering that it would be premature to consider the situation urgent, he did go out to British Columbia on August 25, as he told us today. Then, with great fanfare, he announced his success in bringing the two sides together to talk again. Then, just as reports were beginning to circulate, I think originating from the minister himself, that great things were being accomplished by the minister he returned to Ottawa and the next sound we heard was the ringing declaration by the Prime Minister that the situation about which he was exceedingly nonchalant a few days ago, as was the minister, was intolerable and only Parliament could deal with it. Those are the facts, and as in the case of most facts with which this government is connected, they raise as many questions as they answer.

Why, for example, did the Prime Minister suddenly reverse himself in mid-flight, so to speak, and declare the situation urgent when shortly before that he rejected the request of his own western caucus to do precisely this? Why did both sides to the dispute express their astonishment at this turn of events, that is the announcement that Parliament would have to be called? Why did the Minister of Labour not know that discussions were apparently about to take place on serious new proposals? What was wrong with communication? The minister did not even have to rely on the post office. Why, finally, if the government was seriously considering recalling Parliament, did the minister not make a public statement long before when he must have known the urgency of the matter and realized the effect that the tie-up was having upon the economy of Canada, and particularly the economy of western Canada? Why did the minister not make a statement indicating the gravity of the situation instead of he and the Prime Minister playing it down, and perhaps creating the impression even among those who were engaged in bargaining that there was not really very much damage being done to the national economy?

Some hon. Members: Hear, hear!

Mr. Stanfield: Instead, in their public statements, the Minister of Labour and the Prime Minister spoke as though there were no real urgency. I can well understand why those involved directly in the dispute assumed they had plenty of time to settle matters and the government was not all that concerned about the damage being done.

Did the minister at least tell those involved in the dispute that unless they were able to act quickly the government would have no alternative than to ask Parliament to resolve the matter? He indicated today in response to questions that he did not give that indication. Did he indicate to those involved in the dispute not only that the matter was causing serious damage but that he would have to come back and report to the government that it was beyond the capacity of ordinary bargaining to settle this matter before irreparable damage was done?

I say that any way you look at this thing, the minister has lost his credibility. If he knew that Parliament might have to be recalld, he surely had a duty to make it clear to the participants to the dispute. He surely had a duty to make it clear to the participants to the dispute that this was a situation of national emergency rather than attempting to play it down, creating an impression quite the opposite. If he did not know this and did not realize the government was seriously considering calling Parliament back to resolve this matter, then he was certainly overruled in the policies of his own department, and what further effectiveness could he possibly have in the whole field of labour relations. I have to say to the Minister of Labour that he has lost his credibility, and as a result of that loss the whole government has lost.

Some hon. Members: Hear, hear!

Mr. Stanfield: There are bound to be questions which will arise as a result of these events, and there is bound to be and certainly is confusion and uncertainty about the competence of the government in respect of the whole affair. There is one thing that is crystal clear and that is the undiluted and indisputable political motivation displayed by the government in its handling of this dispute.

Some hon. Members: Hear, hear!

Mr. Stanfield: It was obvious from the moment it started that this walkout constituted a serious menace not only to grain farmers and others on the Prairies, not only to the whole of the Canadian economy but, as the minister himself said this afternoon, it really constituted a threat to the credibility of our country as a trustworthy supplier of grains and other products. The minister, in the House this afternoon, said this was apparent when he introduced this bill. It was just as apparent the first day the walkout occurred that this was a matter of grave, national concern.

An hon. Member: It is easy to see afterwards.

Mr. Alexander: Go back to sleep.

Mr. Stanfield: My hon. friend says it is easy to see it afterwards. I am sure the hon. member from the Prairies, probably as one who took part in the western caucus, asked the government many days ago to treat this matter as urgent. If he would come clean with us, I am sure he would say it was really clear to him the first day the strike took place that this created a situation of urgency for western Canada. I am sure it was apparent to him, brilliant as he is, and it should have been apparent to his colleague the Minister of Labour.

Some hon. Members: Hear, hear!

Mr. Stanfield: In the past, this government has complacently allowed situations to rot to the point where the damage was becoming almost irreversible before deigning to move. I must say, in comparison with its past record, the government has moved in the present situation with comparatively stunning speed. It only allowed things to deteriorate for about a month this time before making the ultimate move of recalling Parliament.

This has perhaps been a dramatic performance. It was perhaps especially effective because of the secrecy in which this move was planned. If the people who were involved in the dispute had been alerted this move might not have been necessary. If the situation had been brought home to them earlier by the Minister of Labour and the Prime Minister, it might very well have been unnecessary for us to intervene as a Parliament.

What is all that compared to the political effect the government hopes to achieve through these manoeuvres? Of course, this stoppage at the west ports has to end. Of course, western grain and other products must be moved again as rapidly as possible. Of course, the ports must reopen and of course the situation is urgent, as I said it was some weeks ago. Of course, in deciding its own moves the present government has looked to one thing and one thing only, and that is the political impact of its decision. Once again, it is the political timetable of this government and not the real needs of Canadians that has dictated the timing of the decision of this administration.

Some hon. Members: Hear, hear!

• (1530)

Mr. Stanfield: True, we have here a sort of belated recognition that Parliament does have a role to play. When we consider the fact that for the last four years the government has spent much of its time emasculating Parliament, when we consider that the denigration of Parliament was, for a while at least, the favourite indoor sport of this government, I suppose that what is happening here today must be regarded as a victory of sorts. But now the government is forced to call Parliament back if it wants to settle anything in connection with this matter. Unfortunately, however, there is a darker side to this picture because this government's decision to recall Parliament, after it has failed to take any action itself over a period spanning several years and when it saw its last few western seats slipping from its grasp, has to be qualified as a sordid piece of cynicism.

I hope that no one is under any illusion that the bill which has been presented today really offers any solutions to these deep-seated labour problems. Certainly, it offers no solutions to the problem of the disputes in the public service or in essential services in general. It is no secret that we are in danger of witnessing yet another postal strike in the next few months. I am not predicting that this will happen, but we are all aware that this may very well happen. The only comment I would care to make at this time on this subject is that if this strike should materialize during the long-promised election campaign that we are expecting, that is if there should be a stoppage of certain postal services during that campaign, then this Parliament has already given to the government the means with which to delay a general walkout until a new government can take over after the election and work out a satisfactory solution to these difficulties. We have known for some time that the provisions in the Canada Labour Code which were adopted last spring have not been proclaimed. If I understood the minister today, they are not likely to be proclaimed for some time because of the dithering around by the minister. I do not know what his real reasons are for not wishing to proclaim the provisions of the Labour Code after they were passed at the last session. However, I want to make it very clear to everybody concerned that Parliament at that time did give the government the authority to deal, during the period of dissolution with stoppages of the sort, by order in council where it was deemed in the national interest. We would be interested to know whether, in fact, the government does proceed to proclaim this legislation.

I recognize that there is no simple solution to the problems of labour relations. It is a complex field, often filled with tension, and certainly the issues frequently are not easily resolved. To name but one, there is the whole matter of the response of labour and management alike to technological change. This is a factor in both the British Columbia strike and the current postal negotiations. It is one element, and there are others, which demonstrates that labour disputes will become even more complex, and perhaps even more difficult of solution, in the future than they have been in the past. That is why we must all be constantly on the lookout for new ideas and new approaches.

There are many who strongly urge a resort to compulsory arbitration in the realm of essential industries and services, whether they be in the public or the private sector. Something like this may have to come with regard to essential services. I say this very reluctantly, not only because this would be a further limitation on freedom but

also because I am convinced that compulsion could poison the atmosphere and raise at least as many problems as it solves. That is why I believe we should certainly try other methods, and that is why any government that I would lead would take urgent steps to set up a public interest disputes commission to deal with the problem of essential services. I do not say that this is a magic wand, but I can see that in this situation, for example, such a commission could have played an active and constructive role in anticipating these difficulties and in trying to resolve them long before the contracts were to expire, and long before the difficulties which resulted in a work stoppage came to a head. Such a public interest disputes commission, consisting of men and women with wide experience in the field who know the problems and who are independent in their thinking, could, even without compulsion, play an active role. The recommendations of such a body would have a degree of moral force that would make anybody, employer, union or government, think twice before ignoring them.

I believe that such a public interest disputes commission could play an active part in reducing substantially the kind of tie-ups and stoppages that have been occurring in essential services, both public and private. I believe that is the kind of policy that the government should have been working out and long since should have had in operation. That is the kind of activity that would have earned the gratitude of Canadians and even the respect of the opposition, at least the respect of the members of my party. That, I believe, is the direction in which the government should have been going. This would not be a cure-all but an active measure that does not restrict freedom but one that would lead to the reduction of tensions and the resolution of disputes in advance of actual breakdown.

The government did not take that course. That is one reason we are back here today, faced again with this kind of difficulty as a result of this government's incompetence. Whatever may be the reasons, we are faced with a measure on which we must take some decisions. Due to the fact that, whatever the reasons, we are faced with a situation of urgency in the Prairies and for the people of British Columbia, I want to make it very clear that we in my party will certainly support and do support the principle of this bill.

I certainly want to make it very clear that we want to get this matter out of the way because we want the work stoppage to end, and we want the damage and the threat of further damage to the economy of Canada and of western Canada in particular, to end. We want to get it out of the way also because then the Prime Minister will presumably be out of excuses for not calling an election. I probably do not need to explain this, but we want the election to be called so that the Canadian people can get this government out of its way and move on to better things.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member for Red Deer wishes to rise on a point of order.

Mr. Thompson: Mr. Speaker, I wish to draw to your attention that we have been called here to deal with a very urgent situation which has almost become an economic catastrophe for western Canada. We have been called here at some inconvenience to the members of this House and a great deal of cost to the taxpayers. We have just listened to a positive and worthwhile comment from the Leader of Her Majesty's Loyal Opposition dealing with this issue, and we see the front row of the government benches practically empty. Those who do occupy it, including the Prime Minister, with the exception of the Postmaster General, have not even given us the courtesy of listening to the Leader of the Opposition. Instead they have carried on a series of conferences. This is intolerable and a disgrace.

• (1540)

Mr. Speaker: Order, please. The hon. member for York South.

Mr. David Lewis (York South): Mr. Speaker, the fact that the timing of the introduction of this bill is political is something that is very clear. I do not intend to spend much time dealing with that point. I have great respect for the Canadian electorate, a respect which was confirmed by the people of British Columbia yesterday.

Some hon. Members: Hear, hear!

Mr. Lewis: I am certain the voters of Canada will recognize that the timing of this particular piece of legislation was entirely political, and has much more to do with the possibility of the coming federal election than with the welfare of Canada and the welfare of Canadians. I am confident that the voters will not be fooled by what the government has done. I want to spend my time, which I hope will not be too long, in dealing with, (a) the general subject with which the bill is concerned, and (b) the bill itself.

The questions which I asked earlier during the question period with regard to whether or not the parties were informed of the government's intention, and whether the government knew that a new proposal was going to be made, were simply directed to the point that a government which does not have the foresight and the courage to draw to the attention of parties in a serious dispute that it considers the dispute serious and will act if it is not settled, is escaping its obvious duty.

I am certain that if the parties to this dispute had been informed by the Minister of Labour (Mr. O'Connell), or by his officers in British Columbia, that the government considered that the dispute had to be settled, and that if it were not settled by the parties then Parliament had no alternative but to act, there was a strong possibility that they themselves would have settled it and Parliament would not have had to act. It is this kind of failure on the part of the government that I find very condemnable indeed.

I am told by Mr. Garcia, the president of the union—I mention him so that nobody will have to guess at the source of my information—that in the presence of the Minister of Labour the two sides to the dispute agreed to meet solidly for seven consecutive days for the purpose of trying to reach a settlement. If the minister agreed to that, and if he got the parties to agree to such a procedure to

undertake seven days of negotiation, what is the labour movement to think when the government does not give it seven days to do that which the minister had asked it to do? What kind of position does the Minister of Labour hold when he gets the parties to make a serious effort at negotiating a settlement, and two days after that agreement is reached the parties, without any previous warning, are faced with Parliament being recalled and legislation being placed on the books?

I suggest that the major problem facing us in the realm of labour relations is that, even though the Department of Labour has some very competent people in it, the direction of that department is incompetent. The direction of that department is unimaginative. The direction of that department is without policy, with the result that we jump from crisis to crisis in serious labour relations matters without knowing exactly where we are going, how we are going to get there, and why we should try to get there. When the present Minister of Labour was appointed to that portfolio, even though I recognized his kindness, his decency and his sincerity, I questioned whether his particular experience had qualified him for such a sensitive job. I am afraid that what has happened since his appointment has underlined the reasons for that questioning.

This is the second time within two months that Parliament has had to act to order people back to work. I can think of nothing I dislike more, and that my colleagues dislike more, than Parliament ordering men and women to go back to work when they are not satisfied with the conditions under which they work. I find that totally repugnant to any idea of democracy and democratic behavior. For the government to put Parliament in a position where it has no alternative than to do this seems to me to be really reprehensible. I cannot guarantee that this situation would not have arisen, but I do know that the officers of the department who were in Vancouver were simply sitting and watching the parties negotiate, and that when the minister went out to Vancouver he simply watched them talk and had a little chat with them. Mr. Speaker, when you are faced with a serious labour matter, that kind of behavior is irresponsible incompetence.

When you are faced with a serious labour relations situation, one in which you eventually intend to pass a law ordering people back to work, then sitting on a chair, or whatever it was that the officers of the department sat on—some of it too indelicate to mention—and just hoping that the parties will be nice to each other, is not good enough. Effective and active intervention by the officers and effective and active intervention by the minister, banging the table, talking to the parties, pointing out the seriousness of the situation to them, warning them of action that Parliament might have to take, arguing with them about the issues that are involved, all these are the tasks of the Labour Department, and particularly of the minister, in a situation which may end in Parliament ordering people back to work. This total incapacity to understand its obligations and duty in such labour relations matters is another indication of the arrogance and the complacency with which the government regards important matters.

On June 30, we passed Bill C-183 dealing with the Canada Labour Code, in which we made provision to deal with some of the matters that were in dispute on the west coast, and that were in dispute at the Quebec ports in the strike which we dealt with at the beginning of July. But to date that law has not even been proclaimed, and the minister tells us that he does not intend to proclaim it in the near future or, that if he proclaims those provisions, he will change the rules in the middle of negotiations. I happen to know that one of the things that management asked for in its latest offer last Tuesday was that the employers be exempted from certain provisions of that bill which have not yet been proclaimed. That was one of the matters which the union had to face, a demand by management that its members lose the safeguards and seniority that are presently in the collective agreement with respect to job security for members of the work force on the west coast.

We would be in a different situation if that bill had been proclaimed. I want to draw to the attention of Parliament, and to the attention of everybody else interested, that the amendments to the Canada Labour Code which we passed provide that technological change is subject to negotiation even during the life of a collective agreement; that it is subject to conciliation, and that it may be an issue on which people may strike. We write that into the law. We write into the law the right to strike and we write into the amendments to the law the right to strike in the case of technological change, then, owing to the inadequacy of the actions of the Department of Labour, the moment workers exercise it we say, "You can't; get back to work." I am worried when that kind of thing happens because nothing undermines the observance of the law and respect for the law so quickly and so easily as for people to be given a right solemnly by Parliament and when they exercise that right, to be told by Parliament "You can't. Sure, we gave you the right to strike but we didn't really mean it. When your strike becomes effective we are going to pass a law and order you back to work." That is the kind of action that produces disrespect for the law and makes workers and members of unions in this country feel that the law is not really ever on their side.

• (1550)

Mr. Speaker, that is not good; that is destructive of the democratic process. I condemn this government for having permitted the situation to continue to the point where Parliament is forced to do just that, to tell the people who exercise a right that we gave them that they cannot exercise it any longer. And why? Because it has become effective. People suffer as a result of a strike, which in a sense is precisely what a strike is for, and since the strike has become effective we tell them that they cannot continue it any longer, that they have to get back to work. This is what we must avoid, and in order to avoid it, I repeat what I have said many times in this House. The federal Department of Labour must become much more streamlined, must stop watching these crises develop hoping that everything will come out all right and then when it does not, bringing a bill into this House. The minister, and the very able officers of his department, have to stop this game of passivity and become active participants in the settlement of serious disputes so that

we will not again have to go through this exercise twice in two months.

The issues on the west coast are basically the same as the issues in Quebec or the issues in Britain and the rest of the world, as they relate to longshoremen. I am told money is not involved, that there could easily have been a settlement on any increase in wages. The real problem is the introduction of automation, computerization and assignment of work, the introduction of technological changes which are perhaps necessary for society as a whole but which threaten the security of the jobs of the people involved. As a Parliament, we cannot say to workers in a particular industry that they have to carry the full load of technological progress from which society as a whole will benefit and from which employers will benefit by added productivity, as well as perhaps added profitability, that the workers are to take it on the chin, losing the security of their jobs and becoming the victims of automation and technological change. That is the situation now, and we as Members of Parliament and the people of Canada must realize that even though the strike of the workers on the west coast has to be ended because it has reached the point where it is harmful to many other Canadians in this country, I want to say on behalf of my colleagues and myself that I hope the people of Canada will recognize that the longshoremen have a right to be concerned about the effects of technological change on their situation and their job security, and that they have a right to fight for security in their jobs—

Some hon. Members: Hear, hear!

Mr. Lewis: —and to expect from their employers in the first place, and from the Parliament of Canada in the second place, some kind of protection of their life work and the welfare and future of their families.

This is the issue that this Parliament will have to face sooner or later. If, from time to time, we are going to take away the right to strike, it is not enough merely to have a provision in the Labour Code that technological change should be a matter of negotiation and in the end people can strike, because that right is worthless if the right to exercise it is taken away. I suggest, therefore, that Parliament will have to deal with the question of the effect of technological change and the need to protect the working people of this country who would be the victims of such change.

Mr. Speaker, I think that in this bill the mediator ought to have been given, by law, instructions to deal with the effects of technological change in a way which would protect the security of the jobs of the longshoremen on the west coast. I intend that either one of my colleagues or myself will move an amendment to this effect in committee of the whole. I hope the minister will consider it carefully, and perhaps agree to it, so that the people involved on the west coast will feel that they have received some justice. Before I indicate exactly the point I am driving at, let me put it in a general social or philosophical context.

When there is a lawful strike, a strike in accordance with the provisions of the law, and for reasons of the welfare of all the people of Canada or some section of the people, Parliament considers it necessary to end that strike by law and order the people back to work, I say to you, Mr. Speaker, that those people have a right to have in the law some kind of quid pro quo. They have a right to have in the law some provision that justifies ordering them back to work. Merely to make them go back to work until the end of December under the old agreement and keep on negotiating to arrive at a new agreement is not enough. It is very dangerous from one point of view as far as the working people are concerned. That point of view is the retroactivity of any settlement made in these negotiations. The last agreement terminated on July 31. If you permit negotiation to be carried on without anything in the law guaranteeing or protecting these people in their rights to retroactive application of any term as a condition of the new agreement, then you give the employer an immense weapon and the employees and union have no weapon at all. For the next few months, if the employers do not like what is going on they have the power just to sit there and say no, but the employees from whom this bill takes away the right to strike until January 1, have no power at all at the negotiating table between now and the end of the year. They just sit there and argue as best they can, but if the employer does not want to budge there is nothing they can do about it because the threat of a strike has gone until January 1, and a strike in the coming winter is a great deal more difficult than a strike in August.

I, therefore, appeal to the minister and all members of this House that if we are going to pass this bill, and it will be passed because, for the same reason as every other member in this House we are forced to support it as reluctantly I am sure as everyone else because of the west coast situation, I suggest to you, Mr. Speaker, we have a social obligation to put into it something that will protect the workers, that will reduce the power of the employers in the next three or four months and put a little bit of power in the hands of the negotiating committee and the working people. I believe that this bill, in the appropriate sections, ought to contain a simple provision that any agreement arrived at by the parties as a result of the negotiations that the law requires them to enter into or any terms thereof, shall, unless the parties otherwise agree be retroactive to August 1, 1972.

Some hon. Members: Hear, hear!

• (1600)

Mr. Lewis: I know the arguments, Mr. Speaker. I have had enough experience in labour relations. I am sure some of the minister's officials know that retroactivity is a matter of negotiation. Sometimes the union sells retroactivity for some other benefit it wants to get and all the rest of it. I suggest to the minister that words can be found to enable that. That is why the amendment which we would move, and I hope the minister will move it, will say that the terms of the agreement or any of them shall be retroactive to August 1, 1972, unless the parties to the agreement agree otherwise. They can negotiate. They can agree on certain benefits, such as wages, going back to August 1 and some other benefits being retroactive to November 1 or some other time. It is up to them to decide. The grain handlers could have the benefits retroactive to

November 30 or November 1, 1971, when their agreement ended.

I appeal to the minister and all Members of Parliament. Unless this kind of protection is given to longshoremen, they have none at all. All that Parliament will have done will be to postpone the problem for four months. That is all they will have done. We will not have accomplished anything except to enable the government to enter into a federal election without the anger of people with regard to this strike on the west coast. When that anger comes back on January 1, 1973, it will be after the election has been held.

That is all this bill does. However, because it does make it possible for the grain shipments to start again, every member of this House, myself included, feels compelled to give assistance and support to this bill. I repeat, however, that we have a moral and a social obligation to make sure that it is not only one side in the dispute that will get hurt as a result of this bill.

As this bill is now worded, only the longshoremen will get hurt. The employer will not get hurt. He does not have to worry about retroactivity. As far as the employer is concerned, work will resume on the basis of the old collective agreement and the longshoremen will have exactly the same as they had before. The employer will not lose anything by the passage of this bill. The working people will lose. They will lose their power to force upon their employer the conditions of work they would like to have. In return for that loss to the longshoremen on the west coast, this Parliament has an obligation to assure in the law that the employers will not be able to play cat and mouse with the question of retroactivity.

Some hon. Members: Hear, hear!

Mr. Lewis: I raise this out of an actual experience I have had with the longshoremen on the west coast. I forget exactly when it happened. Two, three or four years ago, there was a voluntary return to work while negotiations continued. The minister nods his head indicating that he knows about it. It was three years ago. I have been informed by the union officials that the employees lost $2 million in wage increases that the employers refused to make retroactive. They lost certain provisions with regard to their pension plan, contributions to the pension plan that were going to be improved and so on.

The longshoremen on the west coast have a right to demand of Parliament that this little bit of justice be done. If they are to be forced back to work, the law should guarantee to them that the managers and employers cannot get around this. The law should guarantee the retroactivity of any benefits which are negotiated in the collective agreement.

I wish to say a few words about part of the bill that applies to grain handlers. The grain handlers have a right to feel aggrieved by the proposition of this bill because they have accepted the conciliation board report. It is the employer, including, I am sorry to say, the Saskatchewan and Alberta wheat pools that have rejected the conciliation board report. To threaten them with action in case they should strike, even before they have taken a vote, seems to be a pretty serious matter. As far as I know, they have not even taken a vote to strike. I may be wrong on that. The minister has indicated that I am right. To threaten them in their situation with this kind of action if they should strike is serious.

The grain handlers' contract expired almost a year ago. It expired last November, 10 months ago. They are working without any new or revised collective agreement. They have gone through all the procedures. It took them months to do this. They have accepted a conciliation board report. This bill gives the government the power to order them back to work when the government thinks it is necessary, without any protection of their welfare. This seems to me to be an immoral act which the minister ought not make this Parliament perpetrate.

In the case of the grain handlers, we should have the same amendment requiring that the provisions of any new agreement, unless otherwise agreed to by the parties, become retroactive to either November 1 or November 30. I cannot remember whether it is the beginning or the end of November. The parties can agree to change that with regard to any provision they have to make.

I did not take any longer than I needed to make the thoughts of my colleagues and myself as clear as I have been able to make them. There is no reason why we should be in this kind of crisis every two months. There is no reason at all. We are in this kind of crisis because of a totally wrong approach to labour relations by this government. I have made that statement many times in the past number of years. This attitude that not only is justice blind, but the labourers in the ports must be blind and have blinkers over their eyes until they and everybody else are kicked into seeing something that any half intelligent person, even this government, could have foreseen is just not good enough.

I believe we will not solve this problem, leaving alone the whole problem of the handling of grain, until this Parliament deals with one matter, namely automation and technological change and unless this government or whatever government follows it has the courage and the vision to make the federal labour department an active participant in important labour disputes, instead of a passive observer.

Some hon. Members: Hear, hear!

• (1610)

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have carefully listened to the comments of the leader of the New Democratic Party (Mr. Lewis) concerning new techniques or automation. He also told us that the bill does not solve per se the problem now under consideration.

Mr. Speaker, the longshoremen's strike on the west coast has been lasting for a few weeks, that is a little too long. The government dispatched the Minister of Transport (Mr. Jamieson) and the Minister of Labour (Mr. O'Connell) to British Columbia and I feel that the latter, during his recent visit in Vancouver, has particularly contributed to the campaign for the election of a New Democratic government.

Mr. Speaker, in fact he went over there and came back to tell the right hon. Prime Minister (Mr. Trudeau) this: It

is impossible to solve the problem; they do not want to make sense. And so, we were ordered back to Ottawa on the double to study and pass legislation ordering the longshoremen of the west coast back to work.

Mr. Speaker, to my mind, the government was a little late in acting to settle the dispute, it knew full well that the negotiations were leading nowhere. The minister or ministers should have been sent to help solve the conflict between stevedores and employers. Today, we face an alarming situation. Hundreds of ships stand at anchor in the port of Vancouver; they can neither be loaded nor unloaded. The western farmers are waiting to ship their wheat; all is at a standstill; no solution has been found.

Mr. Speaker, the government is now introducing a bill to compel the longshoremen to resume work without making any suggestion so that bargaining may lead to agreement between both parties. The government does not give any advice. It merely says: Go back to work! Mr. Speaker, this is putting an artificial leg in a cast. Just telling workers to get back to work not later than December 31 means that we may still face the same situation on January 1.

We have had the same thing in Montreal, Trois-Rivières and Quebec City, not so long ago. We called for government intervention. But they said: We must not interfere, even if the strike must last for weeks and months. Longshoremen in Montreal, Quebec City and Trois-Rivières, as well as their families, have suffered all this time, but the minister kept answering every day: I do not want to interfere. And yet, at that time, there was an emergency in those ports.

Today, they tell us: They could have used the ports of Sorel, etc. What a farce! Everybody knows that longshoremen in Montreal, Quebec City, Trois-Rivières belong to the same unions as those in Sorel. They would not have tolerated that situation. They would not have agreed to get back to work. The minister was well aware of that. However, it took weeks and months before some action was taken. Now, in this case, there is immediate intervention to settle the dispute.

Hence, people are wondering whether the government has two sets of attitudes and policies, one for the people of western Canada and another for the people of eastern Canada, especially in Quebec. That is what we are objecting to. We want the same policy implemented in the province of Quebec, the Maritimes, etc. We want the same policy of justice for the workers to be applied all across Canada whether in Vancouver, Halifax, Montreal, Trois-Rivières or Toronto.

Mr. Speaker, Bill C-231 is not the solution to the problem. We know we will have to begin all over again, for the same causes generally produce the same results. He who sows carrots cannot expect to reap potatoes. He who sows cauliflowers reaps just that, not bananas. Most of the time, the same causes produce the same effects.

These conflicts, whether in Vancouver, Toronto, the province of Quebec or Manitoba or elsewhere, all stem directly from an economic system which does not take reality into account and which we try to adapt to the requirements of a small number of financiers who control the flow of the economic blood of the Canadian people

[Mr. Caouette.]

and create chaos in various areas of the country. Instead of improving the system or establishing a better one, you punish the workers, the managers, in short, everybody.

Mr. Speaker, as long as we do not adopt a system whereby individual security would be closely dependent upon the production of our nation, we shall run around in circles as we are doing now. The end of a strike will see the beginning of a new one and there will be no end of it. We are acting just like a dog chasing its tail and running around in circles: we will never find a solution.

I heard the leader of the New Democratic Party say that we must ensure job security for the longshoremen and grain handlers in Vancouver, even if new techniques, computers, etc. are used.

Mr. Speaker, it is intended to add job security to the purchase of new machinery. Then let's talk about price and salary controls and see whether that will give prosperity to Canada, whether the Canadian people will be able to benefit from their production!

In fact, we have got new machines, we have got computers. We are using new machinery. But as intelligent Canadians—and not as people lost in confusion—we must ask ourselves: Will their use penalize man or serve him?

• (1620)

If all that has been devised to punish mankind, let us keep up our present system since everything is well and fine. Conflicts regarding grain, dissatisfaction, upheavals, attacks here and there, interunion struggles, union members fighting other unions, lay-offs and unemployment are instances of the uneasiness resulting from this system.

Mr. Speaker, if inventions, technology, computers and new machines have been devised to punish mankind, let us keep to our present course, since we are doing very well. If, on the other hand, these new inventions, techniques, computers and machines are to serve man and not subdue him, there is but one solution which is, not to provide job security, but income security which is the only means of facing up to the situation.

The following conclusion could thus be drawn, Mr. Speaker: if new technology, inventions, machines and computers are called upon to perform workers' jobs—which is actually the case against which both workers and unions are rebelling—briefly, if all these things are to serve mankind, there is only one way to proceed. To the extent that these innovations are put into operation, let us give everyone an income based on the productivity in Canada of these new machines and new technology, an income which would be synonymous with economic and social security, or a national dividend, whatever the name, provided a balance can be struck between the purchasing power and the country's productivity.

It is then, Mr. Speaker, that we would have a balanced economy rather than witnessing such situations as are now occurring not only in Vancouver, but also in many other places. There are lay-offs taking place, for instance, near Contrecoeur, at General Motors, Northern Electric, among longshoremen of national harbours and postal workers.

Dissatisfaction is rampant everywhere. Why? Because people want security and rightly so. The only way to do it

is not by collaring and forcing them to occupy a position which is redundant, but to give them the necessary purchasing power to buy whatever products machines are going to produce for them. Then only, would we show respect for man who was certainly not created and born only to be put to work for the sake of working—at cutting branches along highways, for instance, or doing winter works or local initiatives or Opportunities for Youth projects in which hardly anything is ever built and which have no purpose other than keeping those people working and earning a living.

This, Mr. Speaker, is the biggest mistake I ever saw, for you cannot help people in this way as you could logically do by making available to them the means to go and seek the existing production in Canada.

In order to solve those problems, Mr. Speaker, the money issue is not the only thing to be taken into account; there is also the matter of how to come to terms in the field of labour-management relations. I do not intend to go into this in detail, as my colleague from Kamouraska (Mr. Dionne), who was a union president for years, will deal in depth with the matter of labour-management relations.

Mr. Speaker, I suggest that a Canadian labour court be created as soon as possible in order to prevent disputes and to maintain the best possible relations between labour and management. This, of course, will require the co-operation of union leaders if unions are to be conciliators, not distributors of boxing gloves.

Managers, who are human beings the same as workers, do not want to be molested or lose their freedom any more than workers do. In order to satisfy both, we would therefore need a Canadian labour court made up of representatives of unions, management and government—in short, unbiased people who really seek solutions to labour problems.

Mr. Speaker, this is the proposition we are making; my colleague from Kamouraska and other colleagues will give more details. However, I would like to say there is only one way to a valuable solution, that is to take into account new techniques, as the member for York South was saying, but not by submitting human beings or workers to a technology that will increase the cost of production without liberating man. Such is real democracy. We are here to govern on behalf of the human being; let us do so. Let us liberate man by the use of machines, science and progress.

Mr. Speaker, lastly I would like to say that it has been reported for some weeks that I was dying in Montreal. Others said that I was dying in Rouyn. Well, I am in parliament today and my health is probably better than that of many people who wanted me out of the way. So, I think that we will be able to go on fighting, not for our personal objectives but for the instauration of a new system in Canada. Let us change what we have so that Canadians can be assured of security and personal liberty.

[*English*]

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, it is in the nature of every strike that it causes harm to persons not directly involved. We have been very conscious of the fact that, in the case of the particular strike at west coast ports, there have been significant amounts of interference, harm and inconvenience caused to a large number of people. We think readily of the situation concerning grain but, of course, there are many other people involved in perhaps smaller ways individually but ways still as serious to them. Even in the Prairie region I think, for instance, of the alfalfa pelleting plants and the difficulties which surround their attempt to move small amounts of products relative to grain through the ports, but who are seriously affected by delays.

The list of those affected on the Prairies and in the west is very long, indeed, and that is the reason everyone must have serious concern about the existence of almost any strike and the inconvenience and difficulties caused to persons not directly involved. In the case of grain, a great deal has been said because of the largeness of its role in the handling of products through the west coast and also because, in the initial closing of the Port of Vancouver it was the product affected much more seriously and for a much longer period of time since a very large proportion of grain moved through the west coast does in fact move through the Port of Vancouver.

In the case of grain, part of our difficulty and problem was due to the fact that we have a program and volume of shipment out of all ports at very high levels, indeed. We completed last year a total export which is roughly estimated at about 815 million bushels of grain and the current program is even heavier than last year's. This meant that in many cases we were going to test the facilities for handling and shipping grain out of the country to the fullest at different points in time. This is particularly true in the case of the west coast.

I have made it clear before that we believe some additional facilities, storage and the like, are needed there to cope with ever larger amounts of grain moving out from the west coast to our new and old customers, large customers such as China and Japan, and customers who have been at smaller levels but extremely important such as Peru, the Phillipines and others. In the last crop year we moved approximately 308 million bushels of grain out of Vancouver, an all time high and far above previous levels. As I have said, in this particular year we have programs to attain levels even higher than that. We were in a position, therefore of needing to strain to the full to accomplish our deliveries, and an interference or delay of nearly a month can have a very serious effect in that context. In the course of that month about 30 million bushels of grain might have moved out of the west coast ports, which therefore we must attempt to move in addition to our regular programs. We will try to do so. It is important, of course, that we get the ports back into operation, and the full co-operation of the whole industry is needed, but every effort will be made to catch up in any way this can be accomplished. That is why the passage of this bill is so important in beginning the operation of catching up on our sales. Our delivery commitments may indeed be caught up if we can start the operation right away. Any longer delay and the matter would become very serious indeed.

• (1630)

We will be making every effort to catch up. Prince Rupert, which has been operating at levels close to its capacity with its existing facilities, is having a second leg put into operation for the receiving of grain and will have a capacity which is perhaps double its present level. We will have to look to extra shifts and the quickest possible turnover of railway equipment if we are to catch up, and we will therefore be counting on the co-operation of everyone throughout the industry, whether they be railwaymen, grain handling workers or elevator agents, to begin the process of moving grain to the coast. We will be looking at every expedient, such as the additional facilities for cleaning or trucking grain, if this becomes necessary to move the required amount. We are fortunate in that we are starting off in the catch up period with a very high volume of grain ready and clean in Vancouver and therefore in a position to go into the ships as soon as possible. In the near future we will begin to receive and put into operation the hopper cars which have been ordered for the movement of grain and which, because of their greater volume and the greater speed in handling in unloading which they make possible, could further increase our capacity. But without a doubt we will be testing in every way our ability to move grain and we will find out exactly what our capacities are both in cleaning and handling grain.

The Wheat Board will be calling on farmers to deliver grain in areas where it is particularly needed for rapid movement, such as areas in the Prairies where the CNR operates. Right now the message will be going out to farmers to deliver grain as they have it available, wheat in particular, so that it can be moved to Vancouver by that railway line to the full of its capacity.

The problem of a strike is one which hurts many innocent people and it is therefore one which is open to easy criticism. We have heard the Leader of the Opposition (Mr. Stanfield) engage in some criticism without exactly suggesting the techniques which we should choose for a final settlement, except for some hopeful new negotiation procedures.

Mr. Baldwin: A new government.

Mr. Lang: The problem with strikes, and the problem with doing something about them, is that since they are harmful and hurt many people they are therefore an undesirable method. Everyone agrees on the basic principle that the collective bargaining process is valuable, a process which we should try to maintain in our society. The free development by the parties themselves of their positions must be achieved. The question must be what you would put in the place of collective bargaining if you are so critical of it and want to remove it. What alternatives are there that will not interfere with the collective bargaining process itself. What alternatives are there which are sufficiently satisfactory to the men who are involved in the negotiations, alternatives which they will accept, when the strike has been so long associated by them with the need for the protection of themselves and of their rights in situations where historically they were often deprived of them.

[Mr. Lang.]

This is the challenge, and it is not an easy one. It is easy to attempt to make political or instant capital of the desirability of settling a strike. The leader of the New Democratic Party (Mr. Lewis) indicated his confidence in the able officers of the Department of Labour, and I must say that with the able officers in the department and the able Minister of Labour it is a matter of their judgment as to how they can best attempt to assist the negotiations. Of course, they applied that judgment to the very best of their ability in the processes of negotiation. We are told on the one hand that we should not have waited so long, and then somehow, peculiarly, that when we make this move at this time the timing is political. It is a strange conclusion indeed and one difficult for me to understand, when presumably they mean we should have acted earlier.

The point, of course, is that we had hoped the collective bargaining process would produce a result, and we bent our efforts in that direction. The Minister of Labour has described the situation. He spoke about his officers being present at the scene. There were also descriptions of the situation when grain was one of the products not moving through the port of Vancouver, and special efforts were made to try to get it moving. When this was not possible the Minister of Labour tried to get the parties not just back to the bargaining table, in which he succeeded, but to get the product moving while they discussed the matter because the strike was bound to begin to hurt the economy, perhaps irreparably. When this was not possible, it was necessary, in the government's view, to come back to Parliament and to ask the parties to go back to work while they negotiate.

The bill is careful to preserve the basic collective bargaining principle and this is still extremely important. Anyone who could easily suggest alternatives should know what the impact of his suggestions are. There are very few countries in the world which have found successful solutions to the labour problems which can crop up. Some of the authoritarian governments have found solutions, and it is perhaps significant that they may be among the few who have, with whatever effect upon the rights and freedoms of the parties involved. In other countries a whole variety of solutions have been tried, and yet strikes go on whether legal or illegal. The collective bargaining process is important. We believe in its preservation so that the parties can discuss their problems together and can together attempt to sort out the best possible solution in the situation. It is therefore, as the Minister of Labour has said, with regret that we find it necessary at this point to interfere in the sense that we are at least indicating that the parties must go back to work while the bargaining process goes on. But the bargaining process seemed to be one which would take a significant amount of time and this would cause serious damage to many sections of the community, not only the noticeable ones but also many others which might have been noticed far less.

It is, therefore, extremely important to start the grain moving again, to solve the problems and avoid harm to many other individuals and all kinds of products, that we have the parties working while the collective bargaining goes on. Hopefully, the best kind of atmosphere and the best kind of negotiation can lead to a solution in the near future, and at that point, as the bill itself makes clear, the

operation of the bill will come to an end with the coming into place of the collective bargaining agreement. That is an end that we all desire, an end that the economic welfare of the country requires. So, we will certainly not only earnestly ask the House for support in the quick passage of this bill but also earnestly ask for the support of the parties in the discussion, negotiation and mediation process so that a successful conclusion to the work problems at the west coast may be reached. I, therefore, urge all members to support a quick passage of the bill in order that the work of the ports may begin again, and so that the harm which undoubtedly has been caused will be stopped.

• (1640)

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I want to assure the House that I do not intend to delay passage of this important piece of legislation, but I do wish to express a few thoughts on the government's stand with respect to the present phase in the evolution of strikes and collective bargaining. The hon. member who preceded me said it is of the utmost importance that collective bargaining continue while work is being done. This piece of legislation deals in effect with two unions, the longshoremen's union and the grain handlers in Vancouver port. I point out that the grain handlers have been involved in what might be called collective bargaining since November 30 of last year. This gives some idea of how long they have continued to work without agreement on a contract.

It is interesting to reminisce on labour disputes in Canada in 1971. I do not intend to deal with the whole subject of collective bargaining, but rather with the question of government intervention to ensure that work will continue while collective bargaining takes place. According to one study something like 152,000 man days were lost through strikes and lock-outs in areas under federal jurisdiction during 1971. Those of us involved in the grain industry recently experienced a strike which lasted for about eight weeks in Quebec ports. In fact the strike at Montreal port was an illegal one, but the Department of Labour did not feel it should intervene. Now, the Minister of Labour (Mr. O'Connell) intervenes just three weeks after the start of a strike on the west coast. I can only thank democracy for the fact that we are facing an election, and elections make governments act. At election time, governments seem to realize their responsibilities more fully.

The minister in charge of the Canadian Wheat Board mentioned alfalfa pelleting plants. There are a number of these in my constituency. Their product is in keen demand internationally. No doubt the Vancouver port tie-up is detrimental to their situation, and to farmers generally across the Prairies.

It is important that we examine the whole question of government intervention, of when government should intervene and when it should not. Earlier, in Vancouver, the Prime Minister (Mr. Trudeau) suggested that the government had given these people the right to strike, that they should be allowed to strike, and that that procedure should take its course. Now, all of a sudden, with an election coming on, he realizes he must act. I hope that the people on the Prairies and all across Canada realize he is acting solely because of the election and not because of any deep-seated belief he may or may not have.

I have reached that conclusion because on July 7 Parliament passed certain amendments to the Canada Labour Code. One of those amendments gives the government the power, when a strike or lock-out is anticipated during dissolution of Parliament, to decide that a national emergency could be created, and so the government could act without recalling Parliament. That legislation has not yet been proclaimed, and this gives you some idea of the strong feelings of the Prime Minister. Here is pragmatism at work, dealing with crisis after crisis as they arise.

The Prime Minister is not concerned with the crisis on the Prairies; he is concerned with the forthcoming election. He is not concerned with the grain shipments that may have been lost. It is estimated that this strike, which has lasted since August 7, has held up the shipment of something like 38 million bushels of grain. On August 29, some 35 ships were waiting to be loaded at Vancouver. All of a sudden the Prime Minister realized the time had arrived when he must call an election. Therefore he had to act, not to save the western farmer but in an attempt to save his own political skin.

At this stage in the evolution of collective bargaining, governments should have the right to intervene with respect to commodities that are of national importance. No such provision was made in the amendments to the Canada Labour Code. The Prime Minister has not said, as the President of the United States stated when urging passage of a labour bill before Congress:

> For those who argue that the government should not interfere with collective bargaining, the short answer is that the bargaining in this case has thus far failed—and failed badly for 15 months.

As I mention, Mr. Speaker, the terminal grain handlers have been engaged in collective bargaining since November 30 last. President Nixon went on to say:

> I share the belief that government ordinarily should not tamper with the freedom of bargaining, but when the processes have broken down and the nation's health and safety are at stake we in public office have no right to turn our heads.

He was talking about the longshoremen's strike on the west coast of the United States. He added:

> Let us resolve that this stoppage on the west coast will be the last of its kind. The Congress should act immediately to end the west coast strike and, with utmost dispatch, pass the Crippling Strikes Prevention Act.

We have nothing like that in this piece of legislation. This piece of legislation will cease to have effect on January 1, 1973. We must ask ourselves whether a strike which has not yet reached a satisfactory conclusion can be settled by January 1, 1973. I do not think it will be settled by then. The striking workers and the Maritime Shipping Association will look with anticipation to the forthcoming election to see who will be the winner. Let us say that the election is called for October 30. The declaration of the winner may take up to two weeks after that. The removal from office of those now in cabinet posts may take another two weeks. This brings us to the first part of December before a new government can take over, and then we are well into the festive season of Christmas and the New Year.

• (1650)

Of course, this whole subject can be dealt with when we go into committee of the whole, but I should like the Minister of Labour, the Prime Minister, and the whole cabinet to give some thought to adjusting the date of December 31, 1972 to perhaps January 31, 1973 or February 28, 1973. There is agreement by all parties in this House that collective bargaining has broken down, and everybody is anxious to pass this legislation. Today, during the question period, the Minister of Labour admitted that he knew that the Maritime Shipping Association was prepared to make a new offer to the longshoremen, but he still declared that negotiation had broken down. He must have had some inside knowledge in order to reach that conclusion, and to consider that the government needed to intervene.

We have evidence that collective bargaining with the terminal workers at the Vancouver port has been going on since September 30, 1971, so we could conclude that collective bargaining has broken down there. When we see evidence of how long it takes for collective bargaining to work, how can we, as faithful legislators, pass this legislation and expect it to work for the good of Canadians? I could not let it pass without warning this House and the country that January 1, 1973 is not an effective deadline if we think about the farmers of western Canada and the movement of grain.

But we may have an election between now and January 1, and then the Prime Minister and the minister in charge of the Wheat Board (Mr. Lang) can ride their white chargers across the Prairies claiming to have solved the problem. But will the problem be solved beyond January 1? I think that the Prime Minister and the minister in charge of the Wheat Board are only thinking of themselves when asking this House to pass this legislation. The election may be November 7 or October 30 or whatever date the Prime Minister chooses, but I think they should wait until a reasonable length of time past the festive season of Christmas and New Year before allowing the legislation to lapse. Then, I would believe they were thinking of the farmers, of the alfalfa plants, the man in the Northwest Territories and the Yukon who depends on the Pacific ports to provide him with his necessary goods and commodities. I would believe that they were thinking of someone besides themselves.

A government of which I was a backbencher some years ago passed similar legislation in order to end the railway strike, but it allowed nearly six months for negotiations. The piece of legislation before us goes by the board in a relatively short period of time. I see the House Leader on the government side nodding his head in an affirmative manner.

I want the country to realize, Mr. Speaker, that the government is not making a concerted effort to keep up with the times in regard to collective bargaining. This is a temporary piece of legislation offered because they are going into an election, not because they want to save the country or help the grain farmers and people on the west coast who depend on the inward and outward flow of goods. If they are concerned with these people, then they should adjust that date to January 31, 1973. Give them 30 days after the festive season, 30 days after the election; give them to the end of March, but let us make a concerted effort to solve this difficult problem.

Reviewing the list of difficulties incurred in the labour field over the past year, it adds up to something like 400,000 man days lost in 1972 already. Having called Parliament back, are we prepared to reach some kind of conclusion which will have an effect on strikes and the economy during the difficult winter months? By January 1, 1973 we could have high unemployment, and I think the government would be wise to allow the parties involved to negotiate until the end of March, 1973 or at least until the end of February. I urge the government to consider this suggestion when we reach committee stage. Before the coming election, they must prove to the people that they have thought of the grain farmers, the lumber industry and the people who use the west coast ports. We have been called here to pass this piece of legislation, so let us do a man's job which will benefit the whole country and not just the political fortunes of the Prime Minister and the minister in charge of the Wheat Board.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I should like to say a few words about the situation we face in this House and the situation at the west coast which caused us to be called together. I regard it as a very serious matter when legislators, whatever their position of power, find it necessary to impose their will on the workers and the employers in any particular sector of the nation or of industry. When we do that, we are saying to those who work that they will work for the wages they are receiving, whether they find that satisfactory or not. We are saying to employers who have machines and contracts that they shall put those machines and contracts at the disposal of the people of Canada. We would only do this I suppose, and certainly I would only consider it, if we found that there were no acceptable alternative. We are told by the Minister of Labour (Mr. O'Connell) that in effect there is no alternative.

On August 11, I wired the minister urging that mediation be used in the dispute. Somewhere around August 20 or 21, I received a reply that mediation was being carried out. As to what happened in the interim, I only know what I read in the newspapers. Following that, I assume that the minister and his officials did what they could in the way of mediating the dispute.

• (1700)

This House must recognize that at the base of this dispute, and surely the dispute in the St. Lawrence ports, is technological change. Until we deal with technological change, and the manner in which it affects workers and employers, we can expect to find ourselves back in this House on a similar kind of business. It is the failure to adequately deal with this technological change that causes the farmers, businessmen, working people, the citizens of Saskatchewan and, indeed, the whole prairie region, so much unease and to regard any stoppage of the movement of our products to the export markets with great concern. Saskatchewan is probably more affected than other provinces. For a number of years we have been in a sort of limbo with regard to transportation. The MacPherson commission was appointed. It finished its work and made what I regard as a largely negative report.

Since then we have been left in a situation of wondering how soon and how much of our transportation is going to be disrupted or eliminated.

A few minutes ago, the minister in charge of the wheat board made what I call his high volume wheat speech. Not too long ago, the minister arranged a deal for approximately 2,000 boxcars. I wonder how many members are aware that there are many hundreds of miles of branch lines in Saskatchewan over which these cars cannot travel. They cannot travel on these branch lines because the roadbed has deteriorated to such an extent that it will no longer support that kind of load. The railroaders and many farmers know that. I wonder how many members of this House know about it.

Thousands of farmers who normally ship their grain over these branch lines wonder how soon they will be closed and the rails pulled up. They wonder what kind of transportation facilities will then be available to them. Members of this House should not be surprised at the unease, dismay and dissatisfaction that exists among the grain growers in western Canada because of the transportation system and the lack of attention they have received from this government. That is part of the reason we are so concerned about any disruption. We do not know when the government will give more attention to these matters.

This past spring and summer we argued for better rates for rapeseed in order to be competitive. The grains group conducted a study to see what would be the next move in this game of checkers between the two main railroads and the government. A committee of the Canada Grains Council is supposed to bring in a report within the next three years. The Canada Grains Council is loaded in favour of the transportation and grain companies. The farmer will come out second best. That is why he looks with suspicion at what is being done and the way in which his interests are being looked after or, more properly, neglected. The farmer sees reports in which it is suggested there should be 80 or 90 terminals to handle the total volume of grain in western Canada. He knows that is an impractical and unworkable suggestion. When there is a tie-up at the west coast, he views this as the ultimate disaster.

There is also the matter of the movement of potash and, as another member mentioned, the products from our alfalfa pelleting plants. This affects us materially. There are hundreds of workers in these plants. I do not speak only for the farmers in my constituency. Over 60 per cent of the people in my constituency are urban dwellers. There are mine workers who work in potash plants, as well as the food and allied packing house workers who work in the meat processing plants. I am responsible to those people as well. I speak on behalf of all my constituents when I say we expect this government to conduct itself more effectively in the fields of transportation, and labour management. We expect a more effective method in dealing with disputes which arise, such as those on the west coast. We expect the government to have a better understanding of what is involved and to spend more time trying to create a better transportation system, one which will effectively serve the farmer, the business community and, indeed, the total community of western Canada.

The root of the problem is the lack of concern and understanding as to where we have arrived in this technological age in which we depend so completely on the smooth operation of a transportation system that must be geared to handle more products all the time, whether it is potash, grain, sulphur or coal. We must be geared to do this kind of job in labour relations, transportation, industry, and labour. The employer and the worker must assume their responsibility in this field. I am not so sure that the employer has been accepting his full responsibility. I am reluctant to tell any man how he should dispose of his time or under what conditions he should work. This is not appropriate to a free society. Nevertheless, this is what we have to do at this moment in time.

• (1710)

Some hon. Members: Hear, hear!

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

Some hon. Members: Question.

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

On clause 2—*Definitions*

Mr. Baldwin: The minister has already given a very limited explanation of this bill, but I should like to ask him to say a few more words at this time in answer to some of the questions which were raised by my leader, by the hon. member for Crowfoot and by hon. members in the New Democratic Party. In particular, I would ask him to indicate with some clarity why the government has not yet seen fit to proclaim the Labour Code which was passed on June 30 of this year. This bill was to be the answer to the maiden's prayer as far as labour legislation was concerned. It was originally introduced by the present Minister of Manpower and Immigration. Subsequently, it was withdrawn for further study and brought in again with a number of changes. An extensive study was carried out here, yet the legislation has not been proclaimed. There may be a valid explanation.

I have some experience of this government. Ministers bring down legislation such as the tax reform bill, which is alleged to be most important. In due course it is passed. The departmental officials who devised it then come to examine it and find there are impediments to its operation. When they examine its impact on other measures, they realize that new difficulties are involved. I trust I am not being unduly suspicious, since, as I say, there may be a reasonable explanation, but among other things I would like the Minister of Labour to give the House a rational, detailed and understandable explanation of this delay in proclaiming a bill which we passed on June 30 of this year.

Mr. O'Connell: I shall be glad to do so. I am happy to share the hon. member's expectation that any explanation I do give will be rational. The delay in proclaiming the bill which was passed here on July 5 is related principally to the question of the establishment of the new board.

As hon. members know, there is to be a new Canada Labour Relations Board comprised of at least six members. We undertook to consult extensively on this question

with the labour unions, management groups, persons in the judiciary who are informed on the subject of industrial relations, persons in the universities, those who are engaged in the provincial departments of labour, deputy ministers and others, and those who have been active in conciliation, mediation and arbitration procedures. I think we would all wish to be sure that this kind of broad consultation has taken place over the summer period.

I may say there has been a very generous response to our requests for suggestions concerning the new board. In the past short period the government has been considering these proposals, analyzing them and studying the question of appropriate appointments to the board. However, even when this work has been done it will take the new board some time at least in which to get itself into position. The persons who will be wanted are undoubtedly persons who are already busily engaged. Procedures will need to be established and staff recruited. A great deal of this work has already been done, though, and I hope we are not too far away from being able to proclaim the act. This is the basic cause of the time lapse.

I think it would be appropriate for me to clarify section 181 of the act which is undoubtedly in the minds of many members here. The question is whether, if the act had been in force, this section could have applied to the situation in which we now find ourselves. It is clear, in my view, that section 181 comes into play only after Parliament has been dissolved. The question becomes the following: if a dispute has reached a point at which a strike or lock-out has become legal before the dissolution of Parliament, then section 181 does not apply. On the other hand, if the dispute had not reached a point at which the seven days which must elapse after the minister has received the report of a conciliation board for a strike or lock-out to be legal, then the Governor in Council may act. It would, therefore, not apply in this situation because the seven days running time has elapsed. It was not the intention of the government, nor the intention of Parliament I am sure, as this was discussed in committee, that we put ourselves in the position of withdrawing rights which had been earned in a period before Parliament dissolved, because Parliament was there to deal with the question if it felt that the situation constituted, or was about to constitute, an emergency. Parliament was still there.

The matter was discussed and clarified in committee and I could refer to the proceedings recorded in the 25th report. The situation is, therefore, that when the seven days elapse before a dissolution use cannot be made of an order in council. When this new bill is proclaimed, in any subsequent dissolution, in any short period of two to three months occurring perhaps on an average of every four years, there is power through order in council to, as it were, postpone the lapsing of the seven days into another period. But the lapsing must begin to take place in a period between parliaments.

I shall be glad to go further into this matter if there are any questions remaining. I appreciate very much the rapid progress we have made up to this point. I feel everyone would expect me, however, to say something about the charge of inactivity which has come, in particular, from the Official Opposition. I am quite prepared to listen to this charge with respect to myself, although I would disagree that it has application. However, I am not prepared to accept it as to the departmental officers who have long and I think recognized, experience in dispute settlement and know exactly what they are doing. I do not think it would be proper for me to let this moment go by without stating that.

[Mr. O'Connell.]

• (1720)

Let me say first that in disputes within federal jurisdiction the experience is that over 95 per cent get settled without a strike, and many of those settlements are the result of expert work done in the department. In this particular case I want to point out that the conciliation officers were available and not fully utilized. The conciliation board was appointed and met very briefly because one party in particular did not find it useful to put a case before the board but rather wanted it out of the way, thus having stripped the situation of all the required procedures so the two parties could confront each other. They have the right to do that, and if we believe in collective bargaining we have to go along with it. You cannot force mediation. None the less, the chairman of the board remained available as did the officers of my department in Vancouver. The Assistant Deputy Minister, who is an expert in conciliation proceedings, was dispatched to the area. Subsequently, the Deputy Minister and I went to Vancouver. We have not been inactive at all and it is a mistaken notion, indeed, if one thinks he can press mediation into a situation where the parties prefer not to have it.

Let me remind the committee of the 1969 experience when another contract was being negotiated by the parties. The parties have indicated to me that at least partly because of mediation pressures three settlements were rejected by the membership. There was a strike of 39 days—with grain moving, none the less, in the ports—during which time the negotiators for the two parties came to tentative agreements. In ratification votes, those three agreements were rejected by the membership. The work resumed for three months and in the confusion that followed a fourth settlement was accepted by a very narrow margin, but only after a second strike took place. The parties, perhaps quite properly, did not want mediation pressures. That was made quite clear, and I respected that position. They felt that only by coming to grips together could they come to an agreement under which they wanted to live for the next two, three or one year period, whatever it may be. We have to keep in perspective the fact that mediation is a question of judgment and will differ dispute by dispute.

I did not want to let the occasion go by leaving any reflection on the members of the department who are so skilled and so successful as a rule in this field. I am going to consider very seriously the proposal put forward by the leader of the New Democratic Party in respect of retroactivity as it applies in the case of the grain handlers and the longshoremen's dispute. I do not know that there is anything more I might usefully say at this time. Undoubtedly, questions will arise during the committee stage and I will attempt to answer them then.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I wonder whether I might ask the Minister of Labour another question relating to the proclamation of Bill

C-183. I am calling it a question, but perhaps it will develop into a representation. As the minister knows, there is in this clause we are now discussing a reference to Part V of the Canada Labour Code and there are other references in the bill to that same Part V. It came out earlier today that since Bill C-183 has not been proclaimed any references in this bill to Part V of the Canada Labour Code are to be construed for now as references to Part V as it stood prior to the passing of Bill C-183 last June.

There are two or three problems which arise. There is the possibility that the proclamation of Bill C-183 might take place during the four month period this bill is in effect. During that time the parties will be negotiating under the provisions of the bill. They will start out to negotiate under Part V as it stood, but what happens to their position when Part V is changed in the middle of these negotiations?

Mr. Baldwin: Don't ask nasty questions.

Mr. Knowles (Winnipeg North Centre): The hon. member for Peace River suggests this is a nasty question. It is one of those legal questions to which three lawyers will give four different answers.

May I point out, and I suppose this is where my question becomes a representation, that it seems to me it would be a good idea for the sake of negotiations between the parties under Bill C-231, for the proclamation of Bill C-183 to be expedited and brought about as soon as possible. I do not know whether it would be legal, but it seems to me if the minister is going to be able to do this in a couple of weeks he might indicate that to the parties now and tell them they had better carry out their negotiations in terms of Part V in Bill C-183 as we passed it in June.

In this connection I might point out, to show that this is a kind of knotty problem, and my colleague the hon. member for Nanaimo-Cowichan-The Islands may have something more to say about this later, that the package the employers put before the union on Tuesday morning included the suggestion that the union agree to the suspension of sections 150, 152 and 153 in Part V of the labour code. In other words, they are being asked to agree to the suspension of something that does not yet exist. The real problem is not the technical one but relates to the fact that these clauses have to do with technological change.

Surely, the minister sees there is a whole area of uncertainty here because it is not clear which version of Part V of the Canada Labour Code will apply at the point when the parties reach agreement, as they are asked to do in this bill. In light of all this, does the minister not feel he should really go all out to provide for the earliest possible proclamation of Bill C-183?

Mr. O'Connell: Mr. Chairman, I am going to have my officers come down to assist me in some of the legal and other aspects of this bill. Let me give a preliminary answer which I trust will stand up when they arrive. We might refer to clause 2 which provides that Part V of the labour code applies during this period so long as the reinstatement of the existing agreement is in force. The answer I would give is that Part V of the existing bill, before the new one is proclaimed, applies. It seems to me that if in this interval the new bill is proclaimed, Bill C-183 and the new Part V come into existence, then the new agreement that is made would be under the new Part V. The old Part V relates to the old agreement, and the new Part V relates to the new agreement if the act is proclaimed during the four months interval.

• (1730)

Mr. Knowles (Winnipeg North Centre): What if it is not?

Mr. O'Connell: The other question was whether one should not hasten in order perhaps to affect or influence the parties or to put them in a different bargaining position. I want to say that I intend to proceed on a normal course with the advice I would give as to the proclamation. The important thing is to launch the new bill on firm ground, on respected ground, and not to establish a new board or get the act proclaimed so that it will alter the circumstances of the present dispute. I intend to proceed on course, and I think we will soon be able to move, to the proclamation of the bill.

Mr. Alexander: I would just like to interject for a few moments with regard to the minister's answer as to why Bill C-183 has not been proclaimed as yet. May I respectfully remind him that during the time prior to the debate of that particular bill there was some pressure—and I use that term loosely—in the interests of attempting to have this bill passed as soon as possible, firstly because the minister was very concerned about the aspect of technological change, and secondly because we were all of the opinion, and I think rightly so, that there was an election in the offing and that the country would be defenseless if section 181 of Bill C-183 were not proclaimed.

All I can say at this time is that it appears to me that the minister has forgotten, in stating his reasons why this bill has not been proclaimed the fact that his colleague, the former Minister of Labour, had put forward a bill similar in nature, with similar clauses, which had been untouched so far as section 181 is concerned. What I am attempting to say is that the minister stated that the reason the bill had not been proclaimed was that the labour relations board had not been established. I say that the minister has had time not only from June 30 to August 30 but from a year prior to that time, because it was the intention of the government to bring in a bill of that sort.

The minister is shaking his head. Surely the minister remembers that we had a previous bill, I think it was C-253, and flak came from both management and labour regarding its contents. We brought back another bill, Bill C-183. Surely the minister knows that the part I am talking about is section 181 of Bill C-183, which is also included in Bill C-253. One of the reasons given was that the country would be defenceless in the event of the dissolution of Parliament, though perhaps it was not the minister but some of the officials who were attempting to explain the bill who told us this.

As a matter of fact, there was no way in which the government or Parliament could handle a strike—unless it was under some measure similar to the War Measures Act—if the strike took place while Parliament was dissolved. This is the significance of the clause in Bill C-183. So in the event that the government calls an election, whether it be for October 30, November 7 or November

13, we have no protection if a strike occurs; the country will be defenceless because Bill C-183 will not have been proclaimed. And we do not know when it will be proclaimed.

This afternoon the minister stated that the regulations under Bill C-183 have just about been compiled and are ready to be appended to the bill. He also said that a conclusion has almost been reached regarding the designation of the members of the board. But he did not state definitely when the proclamation will take place. I would want the minister to clarify this problem. The government would be derelict in its duty if in fact Bill C-183 is not proclaimed. The country would be defenceless in the event that an election was called by "His Lordship" in the next two or three days and the government went to the people on October 30. I want the minister to answer that question because it is extremely important.

Mr. Knowles (Winnipeg North Centre): Who is "His Lordship"?

Mr. Alexander: I will leave that to speculation.

Another question which was posed and with which I thought the minister would deal related to the proposition that was put by the hon. member for Crowfoot. He said that if we are serious in wishing the parties to negotiate—and I think we all appreciate the importance and the need for collective bargaining—at the same time we should be concerned about the public interest. That is paramount. Although the parties are important, as I have indicated before many people are becoming more concerned about the fact that they are not involved in the collective bargaining process, whether they are with management or with unions. This leaves the consumer boxed in. I think that the parties must be given a fair deal in solving all their differences and I do not think that this can be accomplished by December 31.

The hon. member for Crowfoot gave several cogent reasons. He mentioned the upcoming election. He mentioned the forthcoming winter months. He mentioned the fact that it takes a new government a fair amount of time to make cabinet changes. He also mentioned the fact that before we know it we will be into the Christmas season. I can understand the confusion that may exist in the minister's mind with respect to this because we cannot be sure that meaningful negotiations will take place in the next three months or so.

After all, we know that these parties have been negotiating, I hope in good faith, for the past 10 months or so, so is it really fair to say: "If you do not reach any conclusion by way of collective agreement by December 31, you are back in the same boat again, which means you can go on strike"? They will have gone through the conciliation procedures and through the whole of the labour bill under which they are acting. We cannot afford another strike. I am asking the minister to look upon the request of the hon. member for Crowfoot with some sympathy, because I think we all want the same thing; we all want industrial peace.

I hope the minister can answer these two questions: first, whether the country will be defenceless in the event of the dissolution of parliament; and second, what is wrong with the suggestion submitted by the hon. member for Crowfoot, who is concerned about whether there is enough time left? I hope we can be assured that the parties will bargain in good faith. Labour and management must bargain in good faith. I would like to know whether they are making full disclosure. It is obvious that either side could play hanky-panky with full disclosure.

• (1740)

The third point I have always concentrated upon is whether the parties are taking inflexible positions. If things have been all that tough regarding those three aspects of collective bargaining for the past ten months or so, can the minister give us some assurance that December 31 is the proper date for the ending of this legislation? How did he determine that date? I note that the employers submitted an offer prior to the introduction of this legislation. Does that offer give the minister reason to believe, after due deliberation and having listened to the advice available to him in the department, that December 31 will give ample time?

The hon. member for Crowfoot recalled, in connection with a similar bill dealing with a railway strike, that a former government provided a six months cooling off period. If a six months period was provided some years ago, have we now reached the stage in labour-management relations where three months are sufficient?

Collective bargaining is being severely tested. Many Canadians want the government to act. But the collective bargaining process cannot be easily tampered with because it provides the right to strike. That is a hard won right which nobody wants to remove. That is why I stand here with some regret. But when I analyse the situation I see that the public interest must prevail.

I have asked the minister three important questions and I hope he will give some indication of his thinking on these points.

Mr. O'Connell: Mr. Chairman, approaching the first question I should say that proclamation may be made at any time, whether Parliament is sitting or not and whether Parliament has been dissolved or not. So when the hon. member for Hamilton West asks if the government is defenceless, I do not relate the question only to proclamation. Proclamation can be made any time, but it has to be made in relation to the proper operation of the new act.

Mr. Alexander: But until that time the country is defenceless.

Mr. O'Connell: I do not think we can agree that the country is ever defenceless. This is a new provision in a new bill. We have never had it previously, and I do not know of any other jurisdiction that has this kind of provision in it. I just cannot bring myself to believe that we should use such a word as "defenceless".

I am sure no union would want to be in the position of engaging in a strike of very serious consequence at a time when Parliament is dissolved, Parliament being really the only agency that we have under the labour code to terminate such a strike if a national emergency ensued. If we searched our past experience I do not think that we would be able to find a case where that kind of dispute did in fact arise during a period of dissolution.

Mr. Alexander: Then why clause 181?

Mr. O'Connell: It is a precaution and, I think, a useful one, but its suspension at this time does not expose us to the charge of being defenceless.

A question was asked about the date of December 31 and whether that is a reasonable time. This, of course, is a question of judgment. One of the considerations must be that in fact we are extending the terms and conditions of agreements that have expired, in one case for about a month and in the other case for about ten months.

I do not think we would want to extend former terms and conditions that at least one of the parties is unhappy with, since they want a new kind of agreement. We would not want to extend those any longer than we felt absolutely necessary. It would be unfair to the parties to say that they will live under those old agreements for a substantial period of time. The time should be related to the best estimate we can make for reaching a new settlement.

I would have hopes and expectations that certainly in the case of the grain handlers, where very little separates the two parties, they would quickly come to an agreement. In the other case there are complex, technological, difficult and human issues. But four months is surely an adequate time, and I would expect and hope they would make their agreement well ahead of the end of that time.

The first offers have been exchanged this week. That is a good beginning. In the government's judgment, and certainly in my judgment, the process will take several weeks. Therefore we have tried to find a reasonable balance, in fairness to all the parties involved.

I was asked whether the parties are bargaining in good faith, and I quickly answer yes. I have no difficulty in answering yes. I believe they are. The unfortunate circumstance we are all in is that by the time they got down to business, or were just on the threshhold of getting down to business, the main port on the west coast had already been shut down for 23 or 25 days. The economic situation is too clearly evident to let the strike prolong itself while the negotiations take place. So there is a cooling off period as described by the hon. member for Hamilton West which offers an opportunity to continue the bargaining.

You will note that provision is made for a mediator who will be given the authority of a conciliation board to call witnesses and to assist the parties in arriving at a settlement. It is really a question of balance. I hope we will agree that it is not an unreasonable one.

Mr. Thompson: Mr. Chairman, I appreciate the remarks of the minister in regard to the situation as it has existed, but the situation in which the bargaining is taking place today is different from what it was the day before yesterday. In regard to the time limit, it seems to me that if the government restricts the time period it will force the parties into an impossible situation particularly if agreement is not reached as the minister expects it to be reached.

It is assumed that we are on the threshhold of an election. When an election is held, 30 days elapse before the writs are returned. In the event that the environment is such that the two parties are carrying on their negotiations in a more relaxed situation because the strike issue is not there, and the disputes not settled before Christmas, then not only would parliament and the government of the day but the whole economy be placed in an impossible situation, one that would be very difficult to manage. It seems to me that it would aid, not hinder, that it would encourage, not restrain, the situation that exists now, and will continue to exist until final agreement is reached, if such an impasse could be avoided. I think the hon. member for Crowfoot took a very practical approach to this problem when he suggested that the date be extended by another two months or 30 days after Parliament had reassembled. This would be an advantage to everyone concerned.

• (1750)

I think it is important to remember that by the end of this year the economy will have lost some 400,000 man days in the area of federal jurisdiction due to strikes and lockouts. This is nearly double the figure for 1971 when we lost 219,360 days, and three times the figure for the year before when 152,030 man days were lost due to strikes and lockouts. Therefore it would seem practical to extend the time in order to make sure that Parliament can deal with this strike effectively, and I would urge that the minister reconsider his position when we come to clause by clause consideration of the bill.

Mr. Barnett: Mr. Chairman, some aspects of this bill are becoming more apparent as we get into the discussion than were apparent on the surface during second reading debate, which of course was of somewhat unusual brevity. I for one would not want anyone in this House, in the press or in the country to assume that because Parliament gave rather fast approval to what we call the principle of the bill, it was done lightly, at least as far as some of us are concerned.

The answer to a question this afternoon focussed attention on some of the really broad issues encompassed by the introduction of this legislation. I am not going to enter into this discussion between the minister and the hon. member for Hamilton West about what might happen during the dissolution of Parliament, but the minister did say that Parliament is the only agency that can deal with situations of this kind. That remark underlined for me the danger inherent in using this parliamentary agency too lightly and too often.

As I journeyed to Ottawa I must say that I felt quite annoyed at the flippant and casual manner with which the Prime Minister summoned Parliament without any proper notice or opportunity given members from a province like British Columbia, which is of course the seat of the situation, to get here from their constituencies without at least having to travel all night and arrive perhaps not in the best condition to consider serious and broad issues.

I think one of the concerns of members here is the fear that if we are not careful we are going to have Parliament in the position of the small boy who cried wolf once too often. If we ever come to a situation where the will of Parliament is ignored because it is being improperly used to rubber stamp proposals put forward by government to cover up its mistakes, then the country is in trouble.

The minister said that Parliament is the only agency to deal with this situation. I would suggest that if Parliament is to remain an effective agency to cope with emergency situations, the actions of Parliament must be such as to maintain respect for this institution in the minds of the people of Canada, and perhaps particularly in the minds of the people involved in a labour dispute such as this.

The situation in which we find ourselves now, where we are forced to acquiesce to this government's proposal, arises from a long series of bumblings and inactivity on the part of the government. I am not going to repeat some of the earlier discussion about the impact of technological change, but I have been thinking to myself "shades of the Freedman report". I remember hearing the former member for Port Arthur, Douglas Fisher, speak about his involvement in that situation.

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

At six o'clock the committee took recess.

AFTER RECESS

The Committee resumed at 8 p.m.

The Chairman: Order, please. When the committee rose it was considering clause 2.

Mr. Barnett: Mr. Chairman, when the committee rose for the dinner recess I had made a few comments about my reaction to Parliament being used in what appears to me to be a rather casual manner by the Prime Minister's summoning of the members. One day it appeared, at least to me, that he was shrugging this whole matter off as being of little consequence. The next day we received a rush summons by rather delayed telegram with little opportunity to arrive here and consider what I feel is a very serious matter for Parliament to be called back to act upon.

I suggested that the reason we are being used too frequently is that the government has been ignoring the basic issues that lie behind a developing situation such as the one with which this bill has been designed to deal. I mentioned the fact that a number of years ago Douglas Fisher, a former deputy leader of our party and then the hon. member for Port Arthur, had been involved in the events that led up to the Freedman Report.

It is true that Part V of the new labour code, which has not been proclaimed, touches lightly on some of the matters that relate to technological change. However, I suggest that the government has never considered redefining what might be described as the basic bill of rights for working people in an age when technological change is of daily concern to those involved in almost every industry, whether it lies in provincial or federal jurisdiction.

We are in danger of being called on to support a panic-button-pushing approach of the government. We had a very drastic example of that not too long ago which arose from events in the province of Quebec. I am concerned that it will become a habit of the present administration to rely on being able to draw in Parliament quickly and to use its weight to cover its own lack of action, or the lack of action of a previous administration, in this increasingly important field.

One could go into the whole broad spectrum of a society where, with inflation and various other factors, we have an attitude taken by various segments of society which tends to hold each other up to ransom. There is an atmosphere in which one group is being pitted against another. This is as prevalent in the province of British Columbia as anywhere in Canada, though hopefully that situation may improve for the better in light of recent events in that province.

The present government should note there is a strong indication in British Columbia that people are becoming fed up with being pushed around by the kind of force that was all too prevalent in the relationship of the now retiring government of British Columbia with various segments of society, particularly with the working people who are organized into trade unions.

The cabinet in the province of British Columbia used what I call Star Chamber tactics to be able to do in secret what we are now actively doing openly. I am concerned that we may fall into that kind of trap. We should not let parliament be used for the purpose of accomplishing indirectly what poor legislation, which created a spiteful atmosphere in the province of British Columbia, has done directly by permanent authority given to the governor in council.

One aspect of this matter has been touched upon but has not been dwelt upon. Perhaps it may not be of such broad national significance as matters such as the export of grain. I am referring to the tie-up in the coastal shipping traffic of the province of British Columbia. My observation was that they were coping with this emergency situation. When I received notice of the sitting of this House, I was in one of the northerly parts of my constituency. An airport is located there and I was able to see the airlifting and carrying of goods down the coast to fishing packers in order to ensure that essential supplies were being taken to those communities. One aspect of that matter which should not go unnoted in this chamber is that no action on the part of the longshoremen's union was taken in an effort to halt the flow of that necessary movement of commodities to the up-coast communities. I submit this reflects credit on the manner in which they have been conducting themselves in this dispute.

• (2010)

There is not much more I wish to say but I thought it was important I should make these remarks because I think they may help members realize that it is a group of working people in British Columbia who find themselves in this situation. They are Canadians, they have their rights, and we should not be stampeded into making sweeping generalizations or into infringing unduly upon those rights. Above all, Parliament should not be used by this government or by any other government in the future as an implement to achieve such an end.

Mr. Alexander: Mr. Chairman, I am pleased to have an opportunity to make a few comments once again. This matter was brought up a little earlier by one of the mem-

bers of the New Democratic Party, who found need for clarification with respect to the reference to clause 5—

An hon. Member: Part V.

Mr. Alexander: I am sorry, Part V—of the Canada labour code. I would like to propose an amendment eventually on this point because I believe there is a definite need for clarification. As a matter of fact, I heard earlier during the debate that one of the parties to this confrontation had attempted to deal, I think, with clauses 150, 151 and 152. No one can deal with these particular clauses right now in view of the fact that these clauses are referred to in Bill C-183 and that that bill has not been proclaimed, which leaves us in a very peculiar situation, and more so those who will be directly offered by this bill.

The amendment I shall propose is based on the following reasons. The present bill contains four references to part V of the Canada labour code. These are in clause 2(2) on page 2, clause 5(2) on page 4, clause 11(2) on page 7 and clause 15(4) on page 8. The reference in clause 15(4) is to two sections of Part V.

Not wanting to be repetitious but rather to elaborate and cement that which I am attempting to point out, I would say that the confusion arises because there are now two Part Vs of the Canada labour code. One is the Part V in Chapter L-1 of the Revised Statutes of 1970. Of course, that is the old Part. The other is the Part V contained in Bill C-183, now Chapter 18 of the Statutes for the present session. This, of course, is the bill which has not yet been proclaimed.

I therefore respectfully submit that there could be some confusion. The first Part V is in full force and effect. I can appreciate my colleagues understanding that. The second Part V has not yet been proclaimed. It could be proclaimed, as my good friend the minister said, at any moment. But having listened to the reasons he gave for its not having been proclaimed, I have cause for concern and worry. When it is proclaimed the Part V now in force and effect will be repealed and the new Part V will come into force, in other words, that Part V contained in Bill C-183.

These new Part Vs differ in content. I do not wish to elaborate because we have all taken part in the debate on Bill C-183 and we know what it involves in terms of measures to deal with technological change the appointment of a board, and so on.

As I read clause 5(2) of the bill before us one can easily see where we are into some difficulty as to what the government is attempting to project in terms of the parties now in dispute. It says:

> The terms and conditions of the collective agreement to which this Part V applies shall be effective and binding on the parties thereto for the period mentioned in subsection (1) notwithstanding anything contained in Part V of the Canada Labour Code or in the agreement, and Part V of that Act shall apply in respect of the agreement as if the period for which the agreement was extended by this section were the term of the agreement.

I notice the Minister of Justice is listening. A man with his legal background can understand why I am concerned and why I am seeking clarification. If the present Part V applies, then what happens—I ask this because it raises an interesting point—if the new Part V is proclaimed during the extension of the agreement provided for by the bill?

Some hon. Members: Hear, hear!

Mr. Alexander: The parties to the agreement would then find themselves operating under a new set of rules. In other words, if the government intends that the present Part V should apply during the life of this bill, Part V of Bill C-183, could then be ignored. I respectfully say that it cannot in good faith proclaim Part V of Bill C-183. This is a terrible situation. We are operating under Bill C-183 because of section 181. But at the same time, if we are indicating to the parties involved in the dispute that what we are talking about is Part V of the old bill, then how can Bill C-183 be proclaimed? If I am right, the government cannot use section 181 of the new Part V.

I should like to ask: Is the government giving up this power to suspend during a dissolution? We have gone over this question but I am asking it again. I am asking whether the government, in its interest to settle this strike, is giving up its power to suspend during a dissolution of Parliament the right to call a strike or lock-out which might adversely affect the public interest.

If the minister would assure the House with judicial certainty, not with any "I think," or "I suppose," or "I would hope," or "It is my opinion," or "We intend to," or "We would like," but with judicial certainty which Part V is referred to, that if it is the old Part V, the new Part V will not be statutory during the agreement and that the power to use Bill C-183 is not prejudiced, then I will be satisfied.

• (2020)

I believe all hon. members are concerned about this because it could lead us into a chaotic situation if this is not spelled out with certainty. If the minister cannot satisfy this side of the House I would propose an amendment to the bill to clarify the uncertainty. I shall leave this with the minister in the hope that with the expertise he has available to him he will be able to come up with an answer very shortly with judicial certainty.

Mr. O'Connell: Mr. Chairman, I wish to give an answer which I think will meet the requirement of being judicious. I do not think the hon. member is asking me to give a legal opinion. In respect of the two Part V's of the labour code, the one now in existence and the one to come into existence, it is clear that old Part V, if I can call it that, applies until the date of the proclamation of the new bill. Upon the proclamation of the new bill the new Part V, in my view, would apply except to the extent it is not consistent with any rights accruing under the old.

An hon. Member: Oh, come on!

Mr. Thomas: Is that a judicial opinion?

Mr. O'Connell: No. It is an opinion based upon the Interpretation Act and upon the transitional agreement.

Mr. Bell: Start all over again. You are all fuddled up.

Mr. O'Connell: The requirement under the Interpretation Act and the transitional requirement is that the new bill would apply except to the extent that it would not be consistent with rights accruing under the old. As I under-

stand it, those rights would continue for as long as this act continues. The old Part V is mentioned in terms of this emergency bill. I think that is the answer to the question asked.

The hon. member also asked, I believe, about the technological provisions. If the new act were proclaimed it is also provided in the act that it would not apply to an existing agreement and therefore would not disturb the existing agreement so long as it lasts but could affect the terms and conditions of a new agreement which the parties are now negotiating.

Mr. Fairweather: Mr. Chairman, I wonder for clarification if the minister could spell out those parts of old Part V and new Part V which are inconsistent, so that we will know.

Mr. O'Connell: I am not aware of any. I do not think the problem will arise. I was asked to give an interpretation of how the thing would fit and I believe I have given that interpretation. I am not aware that it would cause any disturbance in the transition from one collective agreement to the next collective agreement, or from one Part V to the other Part V.

Mr. Alexander: Mr. Chairman, after hearing this explanation I must say with respect that it is not based on judicial certainty when the minister states it will be all right so long as there are no uncertainties and no inconsistencies. What kind of nonsense is this! All I want is clarification. We must be sure that we are talking about Part V of the old bill. This government has had a year and some months in which to proclaim Bill C-183. Here we are hung up with this point and the minister starts talking about "provided there are no inconsistencies and provided there are no other problems". This is a lot of garbage, I suggest with due respect.

If we are to pass a meaningful bill which has some sense surely this calls for clarification. It is extremely complicated. My friend from Fundy-Royal asked if the minister would kindly advise us what the inconsistencies are, and the minister did a "flip-flop" and said he did not think there were any. This sort of thing is not good enough. In view of that, unless there are other members who would like to pursue this matter further, I would like to move an amendment. Seconded by the hon. member for Moncton, I move:

That clause 2(1) of the Bill be amended by inserting therein, next after line 2 on page 2 thereof, the following:

(2) In this Act, wherever reference is made to Part V of the *Canada Labour Code*, such reference is to Part V of the *Canada Labour Code*, Chapter L-1 of the Revised Statutes of Canada, 1970, which shall continue in force and effect for the purposes of this Act notwithstanding that Chapter 18 of the Acts of the present session of this Parliament may come into force hereafter.'

and by renumbering the subsequent subclause accordingly.

Some of my friends from all sides of the House will say this will not rectify the situation, but at least it is a sincere, and I respectfully say a credible, attempt to clear up a very unacceptable situation.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I rise briefly to say that I regret that the hon. member for Hamilton West has proposed this amendment. We have no option but to vote against it. I have already made clear we believe it is unfortunate there is confusion about Part V in so far as the terms of Bill C-231 are concerned. However, we believe there are other ways in which to resolve the confusion. One of the best is an early proclamation of Bill C-183. This proposal of the hon. member for Hamilton West would deny to the parties during the life of Bill C-231 any chance, even if Bill C-183 were proclaimed, to make use of the technological change provisions in Bill C-183. The hon. member was against those changes. As I recall it that was his position when Bill C-183 was before us.

Mr. Alexander: Mr. Chairman, I rise on a question of privilege. I am sure the hon. member is equally as concerned about the workers as I am, but I think in all fairness he should point out that what I attempted to do to Bill C-183 was to make it acceptable not only to the parties to the dispute—that is, labour and management—but also to the people of Canada. In other words, I was trying to put something before this House in the interest of industrial peace.

• (2030)

I resent very much the implication of the hon. member in saying I was against technological change. With all due respect our amendments attempted to improve the bill. I respectfully ask the hon. member to admit that I at least tried to improve things, rather than say I am against technological change.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I readily accept the hon. member's description of what he was trying to do in June. In any case, we had that debate then and I see no point in rehashing it now. It is still true that the effect of the hon. member's amendment is very clear. It will provide that parties operating under Bill C-231 now before us would be denied the right to negotiate under the terms of Part V. Whether the hon. member likes the new Part V is immaterial. The fact is that we cannot accept a denial to the parties of the benefits that are in Bill C-183. Therefore, we hope that this amendment will be turned down.

Mr. O'Connell: Mr. Chairman, I want to assist the hon. member for Hamilton West in every way I can. In order to provide the clarification he is seeking, I might go back to the earlier point he was raising and say we have to bear in mind that what we are doing is merely extending the term of the previous agreement. We are not in effect making a new four-month agreement of this measure. Naturally we hope the parties will come to a settlement long before the extended term expires.

What we are doing is extending the term to a limit of four months. This is not a new agreement, it is simply an extension. Part V would apply to that extended agreement so long as this act is in force. This act is in force to the point where they make a new agreement. I do not see too much difficulty in that regard.

Frankly, it seems to me the clarification the hon. member was seeking is of that nature. If the new Part V comes into force because of proclamation I do not think any of us would wish to deny any benefits or rights that might accrue to those parties under the new bill if they

were still negotiating a new settlement. If we did that we would be taking a rather different step than that which is the main purpose of this bill, namely to provide for the resumption of operation, not to affect that which would normally come to parties which did not have collective agreements. We would be singling out this group and denying it the opportunity of taking the benefits and responsibilities under the new bill. When he thinks about that he must feel that it would not appeal. I am sure that was not in the mind of the hon. member. We would in fact be denying certain rights which all other parties at that point of time would have access to as they negotiated collective agreements.

Mr. Alexander: Mr. Chairman, I do not intend to take up any more of the time of the committee and I think we should call for a vote on this matter. We do find ourselves in an extremely unfortunate position. I hope this will indicate to the government that it cannot pussyfoot in respect of bills. Bill C-183 has been outstanding for a considerable length of time and the minister has known about it for even longer. Section 181 is the same under this bill as it was in Bill C-253. We have no business being put in this position. I do not know how much life this government has left but I suggest this is a lesson for all of us. When a government has a bill passed it should be proclaimed as quickly as possible, particularly when another bill which has something to do with the first bill is brought forward. This is an extremely unfortunate position and I want to register our concern about what I will not call the negligent proceeding of this government.

An hon. Member: I will.

Mr. Alexander: The House leader says he would call it that, but let this be an indication that we cannot pussyfoot by bringing in another bill which creates an area of cloud and confusion. This is not fair to hon. members on all sides of the House and is certainly not fair to the parties involved.

The Chairman: Is the committee ready for the question?

Some hon. Members: Question.

The Chairman: The question is on the amendment moved by the hon. member for Hamilton West.

Amendment (Mr. Alexander) negatived: Yeas, 21; nays, 74.

Mr. Douglas: Mr. Chairman, as one who has the privilege of representing a constituency which will be affected by this legislation, both from the standpoint of those who work on the docks and that of the general public who depend for their supplies on ships, I would like to say a few words about this measure before us. I am particularly interested in the proposal made by the leader of this party this afternoon asking the government for an amendment to the bill to provide that any agreement entered into between the British Columbia Maritime Employers Association, the longshoremen's union, the grain handlers and the grain elevator companies shall be retroactive to the date when the previous agreement expired. It would be of great help to the committee if the minister could indicate whether he intends to introduce such an amendment.

• (2040)

He said this afternoon that he was sympathetic to the idea of introducing an amendment. Could we know when such an amendment could be introduced and under what clause it is going to be introduced? I think it would help a great deal if we were told that. I want to point out, Mr. Chairman, that what this committee and what Parliament face is really a contradiction in two basic principles to which most of us adhere. I think all members of the House, irrespective of party, believe in the basic principle of free collective bargaining. We believe that in a free society people have the right, either singly or collectively, to bargain regarding the terms under which they will sell their labour or their product. At the same time we also accept the principle that Parliament has a responsibility for the national welfare and to see that no action taken by any single group jeopardizes the national wellbeing.

The minister this afternoon made reference to the grain sales, and the Minister of Justice again made reference to it later in the debate. I do not think enough has been said about the fact that the longshoremen's union and the grain handlers have shown a remarkable responsibility with reference to grain sales and a realization of how important grain sales are to the Canadian economy. The grain handlers have indicated their willingness to accept the conciliation report and the longshoremen's union have indicated their willingness to enter into a separate agreement to deal with grain providing the facilities were manned and operated under the National Harbours Board.

The Minister of Justice said that this was not possible, but he did not say why it was not possible. It was not possible because apparently the government was not prepared to take this rather daring and innovative step. I want to make it clear that the workers have also recognized the responsibility which they have for the wellbeing of the Canadian economy.

So Parliament is faced with these two principles: the right of free collective bargaining, and the need to protect the national well being. If, as this legislation does, we are going to remove the right to strike, then surely we have a responsibility to make absolutely sure that while protecting the national interest we do not use that as an excuse to allow the workers to be exploited or to be manipulated into accepting terms which are unfavourable to them.

Nothing that either of the ministers said this afternoon gave the immediate impression that the government is fully seized of the real cause of the dispute on the waterfront of British Columbia. The matter of wages has not been a major issue, and certainly that can be resolved. The major issue on the waterfronts of British Columbia, as it was in the eastern seaports of Canada, and as it was a few weeks ago in the seaports of Great Britain, has to do with the growing threat to the job security of the men who unload the ships. That arises out of automation, out of containerization, out of the proposed telephone computer dispatch system, all of which will change the pattern under which those who unload the ships have operated for a great many years.

It may be that changes are inevitable and that changes are desirable. We cannot be modern Luddites who try to solve problems by smashing machines or refusing to use

computers. But if there is to be a process of automation and cybernation then surely Parliament has a responsibility, and this government has a responsibility, first to protect the job security of workers, and second to see that a substantial share of the increased productivity arising out of automation is passed on to the general public and particularly to those who work.

This is not a new problem. The former minister of labour wrestled with this as did his predecessor. We all recall in this House the problem of the firemen on the railroads. We remember the Freedman Commission being set up and we remember the Freedman report which was accepted by all parties in the House and to which the government paid lip service, the report about which practically nothing was done. The chickens are now coming home to roost and there are going to be more problems unless we tackle this problem of technological change.

For instance, in Great Britain even the union officials wanted the men to go back to work, but they would not go back. Why? Because in three years the number of dock workers in Great Britain had been reduced by 23,000. When men get into their 50's and early 60's and see automation taking over the jobs of their fellow workers, and it keeps getting closer and closer to them, these men, who have reached an age when it is not easy to learn a new trade and to get a new job, become panicstricken. They get uptight. That is why we have trouble in ports all around the world.

The fact that the government has this legislation here today is an admission of their bankruptcy of policy to deal with the question of technological change. What does this legislation do? It settles nothing. It does two things: one, it gets the government off the hook until after the federal election is over by sweeping the issue under the rug for four months; second, it helps the British Columbia Maritime Employers Association because after January 1 it will probably be easier to negotiate with the workers in the winter. This allows the B.C. Maritime Employers Association to get over the four big months of shipment and to negotiate after January 1, if they have not reached a settlement before then, under conditions that are much more favourable to the employers and much less favourable to the workers. The government should know that.

Therefore, it seems to me that we in this Parliament are being asked to approve legislation which is going to take away a very basic right of certain workers for the next four months. I think they are entitled to two things. They are entitled, first of all, to some assurance from the present Minister of Labour that the legislation with respect to technological change will be proclaimed, and secondly, that the government's program with respect to automation and cybernation will be stepped up, enlarged and made effective.

• (2050)

Additionally they have the right to know that when they do manage do work out an agreement with the employers, the Maritime Employers Association of British Columbia, that agreement will be retroactive, in the case of the longshoremen to August 1, 1972, and in the case of the grain handlers to November, 1971. That is the least to which they are entitled.

[Mr. Douglas.]

If tonight the minister can assure us that he intends to move an amendment to that effect, and tells us the clause under which he will move it, this will make it much easier for us to get on with passage of the legislation. I would like to say to him that I am sure no member in any part of the House wants to take away from any group of workers the right to strike, and we are not going to take away that right unless we provide them in return with some measure of protection, protection which in our opinion they are entitled to be given by the Parliament of Canada. Therefore I ask the minister if he can give us some information on the results of his sympathetic consideration of the proposal made by the leader of our party, and if he can assure this committee that it is his intention to move such an amendment.

Mr. O'Connell: Mr. Chairman, I am pleased to give the assurance that I will be prepared to move an amendment to clause 7 in Part I of the bill, and to clause 13 in Part II of the bill, to bring about the retroactive results that have been proposed by the leader of the New Democratic Party.

Mr. Deachman: Mr. Chairman, I do not want to let this clause pass without making some general remarks with respect to the situation facing us in this chamber, and particularly with respect to the situation facing us on the west coast. For hon. members who have not had the opportunity to be closely associated with it I think I can sketch the situation on the west coast for them in just a few words.

On the west coast we have had a beautiful summer. The days have been very sunny. The people are in the parks, on the beaches in Stanley Park, and driving along the Marine Drive overlooking English Bay. Throughout the summer vessels have been coming into English Bay and taking up anchorage, until now we can look at 20 vessels or more anchored there, and another 20 or so in the inner harbour along the north and east side of the city. It is a magnificent sight to see. Little sailboats go flitting in and around them. The sun and the sea make it a marvellous sight to look at—

Some hon. Members: Oh, oh!

Mr. Deachman: Mr. Chairman, I seem to be working uphill against a great deal of noise not only from members of my own party but from members opposite and I wonder if I could ask for a little order.

The Chairman: Order, please. Of course the hon. member for Vancouver-Quadra, like other members, is entitled to order, but having said that I hope he will quickly get to the kernel of his remarks.

Mr. Deachman: With respect, Sir, I am dealing directly with the subject before us, a strike which is tying up the city of Vancouver, the province of British Columbia, and the Prairie provinces. We have a disturbing feeling as we look at this because we know that the people of Canada are paying demurrage on these ships at a rate of from $1,500 to $2,500 to $3,000 a day.

Mr. Horner: Would you believe $4,000?

Mr. Deachman: Yes.

Mr. Bell: That is about 10 cents for every word you utter.

Mr. Deachman: Some of the charges range up to $4,000. This is a situation that is costing us as taxpayers something in the neighbourhood of half a million dollars a week, or about $2 million a month. This is a serious matter if only in respect to the demurrage.

Many speeches have been made in this House with respect to the movement of grain, but very little has been said about the other factors in this strike. The strike in Vancouver harbour not only ties up the movement of grain affecting the three Prairie provinces but is gradually tying up the entire economy of British Columbia.

Mines in the interior of the province, not having a place from which to move their ore, are forced to shut down. The tow boat industry which moves ore down along the shore is forced to close. Lumber operations along the coast must gradually come to a halt because there are no ships on which to load the lumber. Bit by bit, inch by inch the economy of the province is coming to a halt, involving its mines, its canneries, its forest industries, the movement of autos and other commodities coming from abroad through the port of Vancouver, as well as the outward movement of bulk commodities such as sulphur, coal and potash from the Prairies, and other bulk commodities from British Columbia itself.

In effect, basically we are looking at a national crisis involving half of Canada. I know it is difficult for members from eastern Canada to realize the importance of this to the west, and the extent of its impact upon the four western provinces, just as it is difficult for we western members to realize the importance of strikes such as the one that recently tied up Montreal harbour.

The settlement of the strike at Vancouver in the long run will not be an easy matter. Lying at the root of the problem is the procedure with respect to dispatching gangs to man vessels. This is an old established procedure based on the hiring hall practices in the port of Vancouver. Interestingly enough the hiring hall is owned not by the union, not by a neutral organization serving both the employers and the union, but by the employers themselves. Union members going to hire on as a gang every morning come into a hall operated and owned by the employers. It is also interesting to know that this hall is the only one owned by employers and operated in this fashion on the whole of the west coast between Mexico and Alaska.

Part of the problem lies in an agreement contained in the current contract to computerize the dispatching operations. One must realize that if the dispatching were computerized, the computer now would be owned by the Maritime Employers' Association, and the union employee, for dispatch purposes, would then be at the mercy of a computer owned by his employer. If I were a longshoreman I feel quite certain that I would not want to live any longer with a practice of that kind. I think the solution would be some form of neutral hiring hall or neutral dispatching service which would serve both management and the union.

• (2100)

From my own experience and my talk with longshoremen and people working on the harbour both at management and employee level, I want to say that I believe this practice of a company-owned hiring hall is at the basis of the trouble in Vancouver Harbour. I hope that in going about the business of finding a long term settlement to the problems of Vancouver Harbour the minister will look deeply into the practices which exist in the hiring hall and the way in which dispatching is done. That is the basis of the problem we are facing today and it will not be easily solved either from the standpoint of management or the employee.

It is not an impossible question, however, Mr. Chairman. Nor is the question of computerizing the operation of dispatching on the harbour an impossible one. But the solution must be based first of all on the realization that when a longshoreman comes to be hired out to a gang in the harbour he is interested in knowing what his own position is. He wants some guarantees that he is being treated fairly relative to others hired on a gang. He wants to know that the advantages are not being weighed and cannot be weighed in the direction of management and he wants to know that the service is giving him an honest break. Because that is his livelihood.

Mr. Chairman, I say this is a human problem dealing with human relationships, with people who work very hard, honest people who are down there every day to work on that harbour and who do an excellent job in moving cargo through our west coast ports. These are not people who kick against technological improvement; in fact, they are people who recognize the advantages of technological improvement. They are not an enormous number of people; they are 1500 skilled people backed up by 1800 people of lesser skill. Their reputation is not one of striking again and again; we have had long periods of peace on the Vancouver waterfront.

At the core of the matter is the recognition that it is a human problem which must be looked at in human terms. I hope that will be the basis of any investigation to secure a permanent solution. In the meantime, it is my personal feeling that these people are prepared to stand by the bill which we will pass here asking them to continue work while a better means is found to regulate work on Vancouver Harbour. I hope we will meet in good faith, as I am sure they will meet in good faith, the question of finding a way acceptable to both sides for the regulation of this dispute.

Some hon. Members: Hear, hear!

Clause agreed to.

Clauses 3 and 4 agreed to.

On clause 5—*Term of collective agreement extended.*

Mr. Horner: Mr. Chairman, I should like to speak briefly on clause 5. I listened very attentively to the remarks of the hon. member for Vancouver-Quadra on the matter before the House. His remarks caused me some concern and it took some willpower on my part to resist answering him in what might be termed a political debate, but I did wonder whether he was making an attempt to defend the actions of the government in regard to this labour strike.

Mr. Benjamin: And also to save his own neck.

Mr. Horner: As my hon. friend comments, he was also making remarks to save his own neck. I am in no position to judge that comment but I lay it before the committee and let the committee judge as it may see fit.

Reflecting upon the hon. member's remarks I attempted to recall when he might have spoken for the good of the country rather than in defence of the party, but could not do so. He seems to be a trouble shooter prepared to rise on any occasion. When the party seems a bit weak and needs certain defence it calls upon his superior wisdom and his comments may or may not help.

I am not trying to judge whether the party in British Columbia needs some bolstering today, nor would I like to be counted as one who suggests that this piece of legislation needs some particular defence. Having followed the hon. member's remarks closely I feel that deep down he agrees with this legislation and wants to give every opportunity possible for the normal and natural forces to work for the general advantage of the system of collective bargaining, of management and unions settling their own disputes, with the least possible government interference.

In light of that I am sure that he would be the first to agree with the amendment which I am prepared to offer to clause 5, on page 4 of the bill. I gave the purport of my amendment this afternoon. I believe that the system of collective bargaining should be given the ultimate opportunity to solve its own problems.

• (2110)

I believe that this piece of legislation was drawn up in haste. I could go on at length to indicate how I reached that conclusion. For example, less than 10 days ago the Prime Minister said that these people should reach their own conclusion and asked why the government should interfere. All of a sudden, the legislation is before us.

The date suggested in this legislation, December 31, 1972. I suggest that was not fully thought out for the good of Parliament and the collective bargaining system. Therefore, I move, seconded by the hon. member for Red Deer:

That clause 5(1) of the Bill be amended by deleting the words "December 31, 1972," in line 7 on page 4 and substituting therefore the words "February 28, 1973".

I am prepared to move that amendment because I firmly believe that, in legislating a solution to any conflicting problem between labour and management, ample time should be given to the two parties to reach a satisfactory conclusion before more restrictive and demanding legislation is brought forward. If, after ample time has been given to both parties to reach a conclusion, there is no way the situation can be solved, it may be said that they need punishment, the strong arm of the law and a very firm hand to resolve the problem.

I do not want to take the time of the committee to enlarge on the point I made this afternoon, so I will briefly summarize the conclusion I have reached. We are now approaching September 1. The solution called for here will bring about the dissolution of this Parliament either tonight or tomorrow. It may well bring about the calling of an election on October 30 or November 6. It is my belief

that during the election period we will create an atmosphere in this country in which no meaningful discussion can take place with regard to this problem for which this Parliament has already formulated a solution. The two parties will want to wait until after the election to see who wins. If this government is returned to office, they may or may not negotiate. They may force further government action. If another party wins the election, they may wait to see if that party is prepared to demonstrate a spirit which will create an environment in which collective bargaining can reach a successful conclusion. I like to think that will be the case, but I may be biased.

No meaningful solution to collective bargaining will come about during a federal election. We will pass this legislation and the workers will return to work, but they will not attempt to reach any conclusion until October 30 or November 6. What will happen if there is a change in government, or a minority government with the present government still in power? There will be a period of uncertainty. A period of approximately two weeks after an election is required for the issuance of a writ to determine what party and what cabinet ministers are actually governing Canada. Another two weeks is required to appoint a cabinet. This will take us right into the festive season of December and January, January 1 in particular.

The government has been so involved in the political problem of meeting the electorate that it has failed to proceed logically step by step on this whole question. The date they have fixed is not logical. I would like to see all members of all political parties of this House unanimously agree that December 31, 1972 does not allow ample opportunity for the system to work. It does not give ample opportunity for this piece of legislation to work. It may well challenge the union to force more federal legislation upon them.

I did not reach this conclusion because of the recent turn of events in British Columbia. However, because of that, my conclusion is fortified. I ask all members to give serious consideration to this amendment. It does not change the legislation. If the strike is settled by January 1, there is no problem. The legislation will die automatically and there will be no great upheaval. If the strike is settled, the grain will be moving and commodities will be coming into and out of Canada freely, so there will be no problem. There will be no loss of face. In light of the forthcoming election and festive season, which it could be said are as sure as Christmas, why not give the system ample time to work?

Let us put partisan politics aside in this hour of urgency. Let us agree that February 28, 1973 is a far better date to include in this legislation than December 31, 1972. Let us accept this minor change in this legislation. Let us unanimously approve this bill tonight so that we can give it third reading tomorrow, face the electorate, prepare to do battle and let the electorate choose who shall govern Canada after the normal 59 days' notice is duly given. That is all I ask this House. I am not condemning the legislation. I am not condemning clause 5 or any of the prior clauses. Let us put partisan politics aside and accept this logical suggestion.

• (2120)

I regret I did not approach my many friends on the Liberal side and offer this amendment to them, because I know the government might then have been more receptive to the idea. Surely in this hour of crisis the Minister of Labour and the Prime Minister, who saw fit to fly out government planes east and west to bring us all back to Ottawa, would agree to put partisan politics aside and accept the logic of my proposal. If they do not like the date February 28, let them agree to January 31, or March 1. Let them choose any other date. But surely they should rise and say: "January 31 is time enough; if solutions are not reached by January 31, if we are returned to this House we shall take further strong arm action".

Mr. Mahoney: Strong arm action?

Mr. Horner: Strong arm action, as the hon. member for Calgary South suggests. I really do not believe they want to take strong arm action. I do not want to take strong arm action.

Some hon. Members: Oh, oh!

Mr. Horner: I believe we can reach a viable solution to this problem. Grain has to move. Imports have to enter Canada, not only through Vancouver but through every port on the west coast. I feel that because the government is faced with a situation in which it feels bound to call an election, the particular dates involved here are dates which will become subject to the challenge or call of political partisanship, and that is not a good thing. I urge all members of this House to sit down—

An hon. Member: Sit down yourself.

Mr. Horner: —and to think carefully. If anyone has any objection to the date I suggest, February 28, 1973, he should tell me what his objections are. If the matter is settled before December 31, 1972, there is no problem. If it is settled three days after January 1, there will be no problem. Why not give the system a little more time before a new government may have to act, or before a coalition government has to use its weapons?

Having made my plea for some kind of non-partisan solution to the crisis which is presently preventing the movement of grain as well as the movement of goods in and out of Canada, I urge the committee to accept the amendment moved by myself and seconded by my hon. friend from Red Deer. The solution I propose is a simple one. It is one which will cause the least difficulty to the next government, and perhaps it will result in grain and other commodities moving quickly again. I commend to the House this amendment changing the date in line seven on page four from December 31, 1972 to February 28, 1973.

Mr. Broadbent: Mr. Chairman, the hon. member for Crowfoot has proved conclusively by his speech in support of the amendment that either the Conservative party knows nothing about labour relations or that he is willfully accepting a system which would place both management and labour under the control of government for a much longer period than the bill presently before us is suggesting.

He says he wishes to give those involved time in which to work out their difficulties. He says the period presently proposed fails to do this. The logic of the argument would lead one to the conclusion that he should propose cutting the period from four months to two months if he wants something known as free collective bargaining. My friends on the right are always talking about the merits of free collective bargaining. But instead of proposing an amendment which would result in management and labour being uninhibited by government control, the hon. member for Crowfoot proposes that there be an additional two months during which both parties are bound by the existing contract. Rarely has one heard such an absurd proposal presented in this chamber. We have listened to a good many but this one comes near to the top of the list.

Some hon. Members: Hear, hear!

Mr. Broadbent: The legislation before us is not such that it can be approached enthusiastically as, to his credit, the Minister of Labour has pointed out. But politics often offers a choice, not between black and white but between two objectives, each of which is desirable; in this case, the preservation of collective bargaining on one hand and the maintenance of wheat exports from Canada on the other.

We in this party agree that it is necessary severely to inhibit the process of free collective bargaining for a four-month period by passing this legislation. Nevertheless we cannot accept the ridiculous suggestion which has just been made that he extend the process for another two months. This would not encourage the people concerned to work together to reach an agreement. Rather, it would postpone the period of free discussion for a further two months. I urge utter and complete rejection of this proposal.

Mr. Horner: I believe, Mr. Chairman, that if I speak now I close the debate. The hon. member for Winnipeg North Centre assures me that this is the case.

I should like to correct a misinterpretation which has been placed upon my words. If a settlement through collective bargaining is reached by December 29, 1972, the unions and the other parties involved will no longer be affected by this legislation and there will no longer be any problem. My amendment merely allows for extra time in which to enable the legislation to take effect.

• (2130)

If the hon. member of the New Democratic Party believes that today is a day on which the members of his party should feel a bit chesty and that they should throw their weight around in the House of Commons, I forgive him for his words. But when he misconstrues the words I used and the amendment I moved, I cannot let this go unchallenged.

I want to reemphasize that if an agreement were reached at any time prior to February 28, 1973 this legislation would automatically go by the board. The grain would be moving and commodities would be moving in and out of Canada. It would not in any way superimpose the long arm of the government upon the unions, nor for

that matter superimpose the long arm of the government upon management, in any way. When the hon. member rises to enter into a picayune debate with me on this grave occasion I certainly think less of him than I did prior to his remarks. However, being of a generous nature I shall forgive him for his remarks on this particular occasion following the victory of the New Democratic Party yesterday.

The Deputy Chairman: Is the House ready for the question?

Some hon. Members: Question.

Amendment (Mr. Horner) negatived: Yeas, 22; nays, 103.

The Deputy Chairman: I declare the amendment lost.

Clauses agreed to.

Clause 6 agreed to.

On clause 7—*Employers association and Union to negotiate.*

Mr. O'Connell: Mr. Chairman, I should like to move an amendment to clause 7 which would have the effect of producing a new subclause to provide that any new collective agreement entered into in amendment or revision of existing collective agreements to which Part I applies shall, unless the parties thereto otherwise agree, have effect on and from August 1, 1972.

In some respects it might be argued that this amendment is not necessary and that in the ordinary course of collective bargaining the parties would come to an agreement that the terms and conditions would in fact be retroactive. However, to remove any doubt, to add clarity and certainty and to confirm the government's earnest desire that equity prevail in an evenhanded way during this extended period, I am very pleased indeed to move this amendment, which was first proposed by the hon. member for York South. I move the following:

That Clause 7 of Bill C-231 be amended by adding thereto the following subclause:

Terms and conditions of new collective agreement

'(2) Notwithstanding section 5, the terms and conditions of any collective agreement entered into in amendment or revision of the collective agreement to which this Part applies shall, unless the parties thereto otherwise agree, have effect on and from August 1, 1972.'

Mr. Baldwin: Mr. Chairman, I would like to ask the minister a question. In view of the fact that there is a recommendation from His Excellency with regard to this matter can the minister assure us that this will be satisfactory to His Excellency in light of the fact that the Prime Minister may be asking a favour of him later on during the week?

Mr. Lewis: Mr. Chairman, forgive me, but you have not put the amendment. Perhaps before I speak to it you might want to put it.

[Mr. Horner.]

The Deputy Chairman: Shall the amendment proposed by the hon. minister carry?

Mr. Lewis: I wish merely to express the appreciation of my colleagues and myself that the minister has accepted the suggestion I made to him earlier this afternoon. Indeed my hope that he would act in this way was raised when one of his assistants requested a copy of the amendment we proposed to move. I want to say to the minister that this change is necessary not only for the purpose of clarity and certainty. He may have been informed that in the normal course of events the parties would agree to make the provisions retroactive. If he has been so informed he has been misinformed. I have been involved in many negotiations where the question of retroactivity was a pretty serious subject. There was no certainty at all that the employers would agree to make any part of the agreement retroactive, particularly in the absence of any possibility of the men taking strike action. Therefore this change is important not merely for the purpose of clarity and certainty; it is important for the purpose of giving some justice in return for the right that is being taken away from the longshoremen on the west coast. I hope this clause will pass quickly along with the rest of the bill at this stage. I am simply expressing the appreciation of my colleagues and myself of the NDP to the minister for having seen the justice of the suggestion and acting on it. I am very glad he has.

• (2140)

Mr. Horner: Mr. Chairman, I hope this piece of legislation passes this evening but as an old parliamentarian I regret that important legislation such as this has to pass in a committee of the whole where such a bi-partisan position is taken by hon. members. This amendment is evidence that the government has failed to dot all the i's and cross all the t's in drafting its legislation.

There is a customary statement in legislation that it shall begin at or be retroactive to such and such a date, August 1 in this case. I hope in passing this amendment the government acknowledges the fact it has not fully thought out the problems which may arise as a result of such legislation. I hope it is an indication that the government is prepared to accept other amendments put forward in the spirit of co-operation with the intention of improving the legislation for the whole of Canada. Some of these amendments are necessary because the government has not thought out all benefits such as the one covered by the present amendment. Like the leader of the NDP I hope this measure can pass so that operations on the west coast can return to something near normal at the very earliest possible time.

Amendment (Mr. O'Connell) agreed to.

Clause 7, as amended, agreed to.

On Clause 8: *Termination.*

Mr. Skoberg: Mr. Chairman, before we proceed with Clause 8 I think we should consider something that pertains to the future. Many of us have expressed an opinion on more than one occasion about the importance of recognizing grain as being extremely important to our national economy. Before we pass Clause 8 we should give some direction to the government in respect of the future move-

ment of grain. We realize that when there is a tie-up involving the export of grain and other commodities people begin to talk about a national disaster leading to a confrontation. I suggest that the government should accept its responsibility in this regard instead of passing it on to someone else. If the government did this there would be no reason for passing legislation to handle this type of situation.

In recognizing the extreme importance of our export markets we should consider the position of the middleman in the movement of grain. We should decide whether this man is interested in making profits from moving grain and other commodities out of the country. We might also consider the idea of nationalizing our ports and adopting a comprehensive transportation policy.

All this could be looked into by a committee vested with authority to look into the general picture and problems affecting the whole movement of cargoes through ports in Canada. It has been noted in the past that people in the port of Vancouver would rather unload U.S. goods than Canadian goods. It has been suggested that grain could be handled separately. I am sure all members of the House would agree to a study to determine the effectiveness of moving grain as an item separate from general cargo.

With those remarks I should like to move:

That Clause 8, Part II be amended by changing the period at the end thereof to a comma and by adding immediately thereafter the following words:

"provided however that before December 31, 1972, the government shall initiate a study under the Inquiries Act into the possibility of separating grain from general cargo, such grain to be handled by the Canadian Wheat Board."

There may be some question whether grain should be handled by the Canadian Wheat Board or the National Harbours Board. We support the contention that the Canadian Wheat Board should be made responsible for such handling. If it is to be responsible for moving our grain into export position and making sales, it should be given the authority to move grain through the Port of Vancouver and other Canadian ports. We recognize the importance of this situation, and this amendment would require that some consideration be given to the setting up of a study to determine a better method of moving grain out of the country.

The Deputy Chairman: At first consideration the amendment appears to be unacceptable in that it moves quite far beyond that which the committee is considering at this time. To my mind it embodies a completely new proposal. On the other hand, when looking at the clock I wonder if the best and quickest solution might be to have the committee decided rather than to start a procedural debate. My first thought is that the amendment is not acceptable.

Mr. Baldwin: In view of the fact we have not got copies of the amendment, Mr. Chairman, I wonder if you would read it.

The Deputy Chairman: Without putting the amendment at this time I will read it. It is moved by Mr. Skoberg that Clause 8, Part II, be amended by changing the period at the end thereof to a comma and by adding immediately thereafter the following words: "provided however that before December 31, 1972, the government shall initiate a study under the Inquiries Act into the possibility of separating grain from general cargo, such grain to be handled by the Canadian Wheat Board."

I will accept the amendment as being put in order that we can have a general discussion without questioning the procedural aspect.

Mr. Horner: Mr. Chairman, I failed to understand your words of advice to the committee and I would seek your guidance. I have some doubts about the wisdom of the amendment and whether it will be good or bad for Canadian commerce. If I am in order I will proceed with my reasons. I understand that you were somewhat dubious whether it was in order but you were prepared to accept it in view of the time.

• (2150)

The Deputy Chairman: The first impression of the Chair is that the amendment is not an amendment but a substantive motion, but because of the time, if the committee is ready to consider the motion as it is, the Chair will accept it. I have read it to the committee. If the hon. member wishes to speak on the amendment, the Chair is ready to listen.

Mr. Horner: Mr. Chairman, the amendment, according to my limited knowledge of the rules of the House, is out of order. It does not apply to clause 8 and it does not particularly apply to clause 7. I am not in a position to debate the question as to whether it is in order or out of order, but I preface my remarks by saying that personally I believe it is out of order. The hon. member for Moose Jaw (Mr. Skoberg) has failed to distribute a copy of his amendment. I would now like to thank the hon. member for personally delivering the amendment to me.

The amendment says that the government shall initiate a study under the Inquiries Act into the possibility of separating grain from general cargo, such grain to be handled by the Canadian Wheat Board. My remarks regarding the amendment were to the point. It seems to me that this is the wrong place at which to move such an amendment. The amendment should be debated at the longshoremen's union level at a particular point.

I am under the impression that there are 3,200 longshoremen at the west coast ports and something like 65 or 70 are involved in the handling and movement of grain. I am diametrically opposed to a complex situation which would involve the important matter of grain movement, which encompasses one fortieth of the total number of workers. It seems to me that this is quite wrong. I have been one who has long argued and fought against the amalgamation of various workers involved in union strikes. I believe that steel workers should be steel workers and grain handlers should be grain handlers, and that each should have the right to unionize.

Some hon. Members: Explain.

Mr. Horner: This over-all amalgamation of unions gives the total union a great deal of political strength, far more strength in the market place than it should have. I have been long opposed to that practice, and I say to you, Mr.

Chairman, that now is not the time for a bill before the House to propose such a practice. Now is not the occasion for you to allow such an all-encompassing amendment to be put forward.

The hon. member for Winnipeg North Centre has caught my eye. If he has half the intelligence with regard to the rules of the House of Commons that the press attributes to him, then he should know above anybody else in the House that this amendment is completely out of order. Any member of the House should realize that we have been called together here to pass a piece of legislation to aid grain movement, not to bring forward a harum scarum provision put forward by the party to my left which is somewhat chesty today because of its victory in British Columbia. It has brought forward an amendment which is completely out of order, and I urge you to rule it so, so that we can get on with the business of putting the longshoremen back to work and start the grain moving.

I urge the House leader to rise and say, with his vast knowledge of the rules of the House of Commons, that this amendment is out of order. Perhaps he is one member who is equal to the hon. member for Winnipeg North Centre. I have no doubt in my mind that the amendment is completely out of order and I urge the House to voice its opinion before we get into a lengthy debate as to what should belong to a given union representing a whole conglomeration of trades in our economic sphere today.

Some hon. Members: Question.

Mr. MacEachen: Mr. Chairman, in view of the fact that it is close to ten o'clock, I wonder whether you might agree not to see the clock for a further period of time.

Mr. Horner: No, Mr. Chairman. I thought the House leader was rising to give his opinion with regard to this amendment and to give you some advice on whether this amendment is or is not in order. If he is not prepared to do so and does not see the clock, others do and will. We are prepared to deal with the grain handling problem. Let us not deal with unions and the whole scope of unions encompassed in this amendment.

The Deputy Chairman: Order, please. May I point out, without getting into a debate with the hon. member, that the amendment has been put to the House. When the hon. member rose he said that he wanted to comment on the amendment, and at that time the Chair said that it was considering the amendment as put by the hon. member for Moose Jaw and read to the House. So the question is on the amendment.

Mr. Horner: Ten o'clock, Mr. Chairman.

Progress reported.

The Acting Speaker (Mr. Laniel): When shall the committee agree to sit again? At the next sitting of the House?

Some hon. Members: Agreed.

Mr. MacEachen: Mr. Speaker, I wonder if I might rise on a point of order and suggest to the House that it might be profitable for us to attempt to complete the committee stage of this bill. I understand that the hon. member for Crowfoot (Mr. Horner) had some comments in the committee and we could deal with them if we were allowed to go back to complete the committee stage this evening. We would then deal with the third reading of the bill tomorrow. That would be my suggestion, Mr. Speaker.

• (2200)

Mr. Horner: Mr. Speaker, I wish to inform you that I have amendments to move to clauses 8 and 11 of the bill. I am prepared to deal with them this evening provided the hon. member for Moose Jaw (Mr. Skoberg) drops or withdraws his rather out of order amendment, so we could then deal with the subject matter before the House.

The Acting Speaker (Mr. Laniel): Order. The hon. member knows that this would require unanimous agreement. Is there agreement in the House?

Mr. Lewis: On the point of order, Mr. Speaker, I think that the issue which was raised in committee by the hon. member for Crowfoot (Mr. Horner) was raised because he did not see the text of the amendment. The amendment that was proposed by the hon. member for Moose Jaw (Mr. Skoberg) did not deal with unions. It deals precisely with grain handling, and suggests that grain handling be dealt with in a collective agreement separate from any collective agreement that deals with other cargo. The amendment does not deal with unions, as suggested by the hon. member for Crowfoot; it deals with grain handling in the way that he says he wants it dealt with.

In view of that, Mr. Speaker, I wonder if the hon. member would change his mind. Because on behalf of my party I wish to agree with the government house leader that it would be desirable to complete the committee of the whole stage this evening and go into third reading stage tomorrow, instead of starting the committee stage all over again tomorrow without being at all certain that we would complete third reading tomorrow. In view of this brief explanation perhaps the hon. member for Crowfoot would reconsider his position on seeing the clock.

Mr. Horner: On a point of order, Mr. Speaker, I now have a copy of the amendment before me. While I think it is substantively out of order, and having asked the government House leader to give his opinion on whether it is in order or not, and he having neglected to do so, I assume the government is in agreement with this amendment. If the government is in agreement with the amendment, I am in no way reluctant to pass it this evening. I see the Minister of Labour (Mr. O'Connell) shaking his head negatively. The minister does not want to separate the 73 grain handlers from the other 3,200 workers. I believe they should be separated. If we can reach no agreement on that point this evening, then all I can say is that I regret that ten o'clock has arrived so quickly.

The Acting Speaker (Mr. Laniel): I understand the point of view of the hon. member, but at this time the question concerns the possibility of an agreement to go beyond ten o'clock and allow the House to resume its committee work. I will put the question again. Is there agreement to allow the House to go back to committee and resume its work on Bill C-231?

Some hon. Members: Agreed.

Mr. Horner: Not unless the government is prepared to accept the amendment being moved by the hon. member for Moose Jaw.

Some hon. Members: Shame!

The Acting Speaker (Mr. Laniel): It being ten o'clock I do now leave the Chair until eleven o'clock tomorrow morning.

At six minutes past ten o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, September 1, 1972

The House met at 11 a.m.

[*Translation*]

PRIVILEGE

MR. LAMBERT (BELLECHASSE)—DELAY IN FORWARDING OF COMMUNIQUÉS FROM MINISTERS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I rise on a question of privilege to remedy a situation and inform you that I particularly care about certain privileges.

Yesterday, during the oral question period, I put a question to the Minister of Agriculture (Mr. Olson) concerning the steps the government intends to take to help the Quebec farmers who, because of poor weather conditions, are having a hard time storing the feed required for their herds over the winter months. The minister replied that the details of the assistance program had been sent to my office.

Mr. Speaker, I regret having to tell the minister that had I received the release on cash subsidies before the sitting yesterday, as several other members did, I should have been informed in good time. But I received it this morning only; that is why I protest and ask that steps be taken to ensure, in the future, that such important releases be sent to my office in good time.

I wish to add that I am happy the contents of the release prove that the minister took into account the representations I made to him; that I was happy to hear about it even on September 1 instead of August 31.

[*English*]

ORAL QUESTION PERIOD

UNEMPLOYMENT INSURANCE

AMOUNT OF GOVERNMENT CONTRIBUTION TO ACCOUNT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Manpower and Immigration arising out of the fact that Statistics Canada no longer publishes the contributions made to the unemployment insurance fund and has not done so since December 31, 1971. Will the minister disclose to the House the amount of the contributions that the government is being called upon to make to the unemployment insurance account compared with the estimates produced by the government during the budget debate?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, the right hon. gentleman is quite accurate in saying—

Some hon. Members: Hear, hear!

Mr. Hees: He will be "right honourable" in two months.

Mr. Mackasey: —that Statistics Canada no longer publishes the revenue that the government receives from the Unemployment Insurance Commission. That cannot be done until next April. Members on that side of the House who were on the committee should know that the revenue from offsetting factors such as contributions and income tax is now collected by the Department of National Revenue and that revenue is to be turned over to the Unemployment Insurance Commission next April. There are other offsetting factors such as welfare savings. In a spirit of co-operation I could suggest that one of the deliberate increases in cost to the fund was the change in the regulations to improve the lot of the fishermen in Newfoundland to the tune of $18 million. I could change that back again if that would suit the hon. gentleman.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Stanfield: On a point of order, Mr. Speaker, if the minister wants to have a debate he can do so on motions and we will be very happy to take part in it.

Some hon. Members: Hear, hear!

Mr. Stanfield: Mr. Speaker, I should like to ask the minister whether he really cannot give us the information required in view of the fact that an estimate was made of the government contribution at the time the budget papers were tabled in the House? Does the minister mean to indicate that there is no estimate in his hands or in the hands of the government today as to the projected contribution that the government will make toward unemployment insurance during the current fiscal year in comparison with the estimates set forth in the budget papers?

• (1110)

Mr. Mackasey: Mr. Speaker, the paid-outs that are made from the fund are subject to certain variables, one of them being the relationship between payments and the weekly wage of people unemployed. The payment is now $66 a week. I do not think that is too much for any unemployed person. Maybe the hon. gentleman thinks it is. We could save by cutting down on that. We know what our payments are—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Would the minister resume his seat for a moment. It seems to me that we are embarking on a debate between the minister and the Leader of the Opposition. Perhaps we should try to return for a moment to the question and answer period.

Mr. Stanfield: A supplementary question, Mr. Speaker. I suggest to Your Honour, with all respect, that I am asking perfectly straight-forward questions which the minister is avoiding.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Stanfield: I am pursuing these questions because four years ago the government covered up $500 million.

Mr. Speaker: Order, please.

Mr. Stanfield: What is the minister now trying to cover up?

Mr. Speaker: Order, please.

Mr. Mackasey: Mr. Speaker, I am sure the hon. gentleman does not want to leave the impression that I am covering up anything.

Some hon. Members: Oh, oh!

Mr. Mackasey: It might be useful to have the debate about which the hon. gentleman is talking, but I can recall his contribution several weeks ago—

Mr. Speaker: Order, please. I interrupted the Leader of the Opposition and I think I have to interrupt the minister. I suggest to both hon. members and to the House that this is debate. I have the impression there are questions that hon. members want to ask today and answers that ministers want to give. We should be given an opportunity to proceed.

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

Some hon. Members: Oh, oh!

Mr. Stanfield: I assure you, Sir, that I will not press the matter further in the House because there is no need to do so.

Mr. Speaker: The hon. member for Nanaimo-Cowichan-The Islands.

Mr. Ryan: A supplementary question—

Mr. Speaker: Order, please. There is only one member for Nanaimo-Cowichan-The Islands and he has been recognized.

REQUEST THAT REGULATIONS BE CHANGED TO ENABLE PAYMENTS TO CERTAIN UNEMPLOYED IN B.C. FOREST PRODUCTS INDUSTRY

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I wish to direct a supplementary question to the Minister of Manpower and Immigration. Is the minister aware of the fact that the forest products industry in British Columbia is stamping all separation certificates as "due to labour dispute" despite the fact that the strike by the fallers was an illegal strike, the fallers have long since returned to work and men who are not now unemployed because of a shortage of logs are being denied unemployment insurance benefits to which they are entitled? Does the minister intend to make any change in the regulations to remove this injustice?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, on the one hand I am being accused by the Official Opposition—

Some hon. Members: Oh, oh!

An hon. Member: Answer the question.

Mr. Mackasey: I will answer the question—of adopting certain regulations that put into the hands of the poor more money than the opposition think these people should be getting. On the other hand I am being accused of passing regulations that deny others payments to which it is said they are entitled. I will certainly look into that situation, Mr. Speaker.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a supplementary question. Will the minister advise the House when the government intends to inform the provinces of its plans for a winter works program for the forthcoming winter in view of the fact that unemployment is rising steadily?

Mr. Speaker: Order, please. Perhaps this question might be asked later. I doubt that it is a supplementary. It is of course, definitely related, but perhaps the Chair should recognize the hon. member later for that question.

REQUEST FOR REPORT ON CURRENT FINANCIAL STATE OF ACCOUNT

Mr. S. Perry Ryan (Spadina): Mr. Speaker, my supplementary is to the Minister of Manpower and Immigration. Is there anything to prevent the minister from giving a full report on the current financial state of the unemployment insurance account? If there is nothing to prevent him, will the minister make such a report to the country immediately?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): It is impossible to calculate precisely the revenues which the Unemployment Insurance Commission will receive.

Mr. Hees: The nearest million will do.

Mr. Mackasey: This is because the new law is so structured that the revenues from income tax, employer contributions and employee contributions will not be turned over to the department until next April at the end of the fiscal year. I thought everybody understood this. If they do not, I am quite prepared to answer any questions they wish to ask. If the rate of unemployment is under—

Mr. Speaker: Order, please. We shall return to this obviously interesting and important subject later. I think we should attempt to complete the first series of questions now. I shall return to the hon. member for Spadina and the hon. member for Hamilton West in a short while.

THE CANADIAN ECONOMY

INCREASE IN COST OF FOOD—SUGGESTED INQUIRY INTO PRICE SPREADS

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. In view of the alarming increase in the price of food, particularly food consumed in the home as distinct from restaurants, hotels and so on, is the hon. gentleman considering or has he already decided, I hope, to institute a thorough inquiry into the price spreads between what the farmer gets and what the consumer has to pay?

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): Mr. Speaker, the pricing of food, in the sense that distributors engaged in selling food might be involved in a combine, is a subject of constant review by my department. We watch price increase in that light.

Mr. Lewis: Investigating the matter in the light of possible combines is surely not necessarily relevant to a rise in food prices which can take place in the absence of a combines situation. I therefore wish to ask the minister whether the department is studying the very large increases in the profits of the supermarkets and food processing companies. Would the minister also advise us whether any attempt is being made to study the cost of advertising and promotion which adds to the increase in food prices? Is the department making any study of these areas, aside from combines, which obviously attach to the increase in food prices?

Mr. Andras: Mr. Speaker, the answer, generally, is yes.

Mr. Lewis: If the answer is yes, can the minister inform the House whether there is a report being prepared and, if so, by whom it is being prepared and whether he intends to publish that report?

Mr. Andras: The way this would operate would be that we would exercise our mandate in the department if the evidence from these continuing studies indicated there were contraventions of the combines act.

INCREASE IN COST OF FOOD—CONSULTATION WITH RETAILERS AND WHOLESALERS TO PREVENT FURTHER RISE

Mr. David MacDonald (Egmont): With respect to the serious increase in food prices expected this fall, particularly in urban Canada, have the minister or his senior officials been in touch with the major grocery chains or with the wholesale suppliers to determine whether they are willing to take joint action to head off this very serious inflation in the cost of food?

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): Mr. Speaker, the answer is no.

• (1120)

[*Translation*]

INFLATION—INQUIRY AS TO INTRODUCTION OF PRICE AND WAGE CONTROLS

Mr. Réal Caouette (Témiscamingue): I would like to ask a supplementary question, Mr. Speaker.

Does the department intend to resort to the measures suggested by Mr. Young, namely a price and wage freeze?

Probably—

Mr. Speaker: Order. I think the hon. member for Témiscamingue wants to ask another supplementary question.

Mr. Caouette: It is about the same question but I think the hon. minister did not understand the one I just asked.

Because of the present situation, does the hon. minister intend to resort to the measures suggested by Mr. Young, namely a price and wage freeze?

[*English*]

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): Mr. Speaker, the answer is no, not at this time, but if such a decision were contemplated by the government I think it would be more properly announced by my colleague the Minister of Finance.

INVESTIGATION OF INFLATIONARY FORCES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a supplementary question with regard to the response of the minister that he is conducting investigations only for the purpose of determining whether there are possible violations of the combines act. Can we take it from this that the minister is not actively conducting any investigations relating to the rate of inflation and the inflationary forces that may be at work in the economy but rather is confining his attention solely to the anti-combines aspect?

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): Mr. Speaker, the economic causes and effects of inflation and of increased prices would be more properly investigated by the Department of Finance, although we are interested in these matters from the consumer viewpoint and from the point of view of possible contravention of the combines act.

Mr. Stanfield: May I ask the Minister of Finance what precise steps he is taking with regard to surveillance of the inflationary factors in the economy? What research is going on under his authority, and in what manner is this research being carried out?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the Department of Finance is following the price situation on a daily basis. As I said yesterday to the House, the nucleus of the Prices and Incomes Commission that has been retained is also monitoring price movements here, in the United States and abroad. As I said yesterday, on the basis of the figures for the first seven months of this year the movement of prices in Canada compares favourably with that in any other country in the world including the United States.

Mr. Speaker: Order, please. The Chair will recognize the Leader of the Opposition for a supplementary question, but I have to point out that we have not yet completed the first series of questions. After this supplementary question I think I should recognize the hon. member for Richmond.

Mr. Stanfield: Mr. Speaker, could the Minister of Finance inform the House precisely what the nucleus or rump of the Prices and Incomes Commission consists of, how many people it includes and, very briefly, what their roles are, because the complacency he has exhibited toward the recent price increases is not very reassuring?

Mr. Turner (Ottawa-Carleton): I deny any allegation of complacency. This government will act when it has to act.

Some hon. Members: Oh, oh!

Mr. Hees: There is a ringing statement.

An hon. Member: That is very reassuring.

Mr. Turner (Ottawa-Carleton): On the basis of prices, the opinion of the government is that the present situation does not warrant price and wage controls. If the situation should develop where price rises were much more substantial and of a type amenable to general control measures, then of course that would be done. I say that the present situation does not warrant it. I say that the record of the cost of living in Canada compares favourably with that of any country in the world.

Mr. Stanfield: Who is in the nucleus of the commission?

Mr. Speaker: Order please. I pointed out a moment ago that we should try to recognize a questioner on behalf of the party to my extreme left and to that end I will recognize the hon. member for Richmond.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

RECOVERY OF OVERPAYMENTS OF BENEFITS—REQUEST FOR DELAY

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, with your permission I would like to ask a question of the Minister of Manpower and Immigration.

Several persons who were in receipt of unemployment insurance benefits will receive shortly or have received letters informing them that they have been overpaid. They are being asked to reimburse the money immediately. These people have been using the money to live on during the winter and are not in a position to reimburse it. Is it the intention of the minister to take the necessary measures in order to delay reimbursements by these people until they have resumed work?

[*English*]

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Yes, Mr. Speaker. In respect of those people who receive overpayments as a result of their inaccurate statements of income which eventually become known to the Unemployment Insurance Commission, every effort is made to see that reimbursement is achieved in as easy a fashion as possible when they return to work.

[*Translation*]

Mr. Beaudoin: Mr. Speaker, I would like to ask a supplementary question.

Does the minister mean that there will be a waiting period or that necessary arrangements will be taken so that those concerned will go back to work before reimbursing?

Mr. Mackasey: In so much as possible.

[*English*]

REQUEST FOR ASSURANCE THAT PLAN IS ACTUARIALLY SOUND

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, perhaps this is a related question in that it involves the Unemployment Insurance Commission. During the debate on the Unemployment Insurance Commission the minister continually advised the House that the plan was actuarially sound and he staked his reputation on that. I ask the minister whether, now that he has had an opportunity to review the facts, particularly in the last week, he can in fact now state that the plan is actuarially sound?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, I will explain it again and I will be glad to stake my reputation on my statement.

Some hon. Members: Yes or no?

Mr. Mackasey: The difference between the payments made to the unfortunate people of Canada who are not working and the revenue received from employers and employees comes from two sources. I will be very short, Mr. Speaker. It comes from weekly contributions from employers and employees with the balance coming from the consolidated revenue fund. So for the first time in history the plan is actuarially sound and, unlike 1961, will not need another blood transfusion.

Mr. Alexander: Mr. Speaker, in light of the fact the minister indicated to the Canadian people that the government was unconcerned about the cost of this plan and only concerned about whether the unemployed got their cheques, is the minister now in a position to say how sorry he is for having made such a stupid statement?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

* * *

[*Translation*]

EXTERNAL AFFAIRS

EXPULSION OF ASIANS FROM UGANDA—REQUEST THAT PROBLEM BE SUBMITTED TO UNITED NATIONS

Mr. Georges-C. Lachance (Lafontaine): Mr. Speaker, taking part in this question period is excellent training for the next olympic games.

I should like to put a question to the Secretary of State for External Affairs concerning the problem of Ugandese refugees. Could he tell us whether he intends to draw it to the attention of the United Nations, since I feel that it is a matter which does not affect only the member countries of the Commonwealth?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Yes, Mr. Speaker, I expect that during my intervention in the General Assembly debate I will be referring to this and other questions that affect human rights. This is one of the principal concerns of the Canadian government, and I know I will be speaking for everyone in the House in raising these questions at that time.

[*Translation*]

TRANSPORTATION OF ASIAN REFUGEES FROM UGANDA—NUMBER OF IMMIGRANTS TO BE ADMITTED

Mr. Georges-C. Lachance (Lafontaine): Mr. Speaker, I should like to put a supplementary question in order to know whether steps have been taken concerning the transport of those Asiatic refugees to Canada, as there is apparently a transport problem. Could the minister or the minister responsible for immigration tell us how many persons up to now have been accepted as immigrants to Canada?

[*English*]

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, there is an advance party from the Department of Immigration in Uganda setting up headquarters and having local support staff. This advance party is mainly from Beirut and is being supplemented from Europe. It is very difficult to estimate the precise number of people that will be coming until our operation begins early next week.

* * *

CONSUMER AFFAIRS

INCREASE IN FOOD PRICES—PLANS TO PROTECT CONSUMERS

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I want to return to a previous question. In view of the fact that rising food prices represent the most serious consumer problem facing thousands of Canadians, has the minister any plans in hand for protecting the consumers of this country, particularly those in the low income group?

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): Based on the evidence we have at the present time, much of the increase in food prices is due to shortages, crop failures, bad weather—

An hon. Member: And lousy government.

Mr. Andras: —as well as shortages of imported foods and many other things of that nature. While it may distress members of the opposition to face these facts and base a response upon them, I simply say that is the evidence we have now, and I do not think price and wage controls, as my colleague the Minister of Finance indicated, would be the answer.

• (1130)

Mr. David MacDonald (Egmont): Mr. Speaker, I have a supplementary to follow up my earlier question concerning whether or not the minister had contacted the important food distributors in this country to see if they would take concerted action to keep the lid on rising food prices. Has he now got this under consideration, realizing the psychology involved and the important pattern that might be set here by the major food distributors?

Mr. Andras: I do not think I can add anything to my previous comment.

ACTION TO MEET PROBLEM OF FOOD COSTS IN YUKON AND NORTHWEST TERRITORIES

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a supplementary for the minister. What action is his department taking to meet the specific and serious problem of food costs in the Yukon and Northwest Territories where costs are approximately 25 per cent to 35 per cent higher than the national average?

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): As I indicated to the hon. member before the recess earlier this year, this matter is under investigation. I will be glad to report to him when I have the full results of our probing into that situation.

* * *

EXTERNAL AFFAIRS

UGANDA—INQUIRY AS TO REPRESENTATIONS AGAINST EXPULSION OF ASIANS

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs and welcome him back from his eastern approach. Can the minister advise whether the Canadian government has communicated directly with the government and authorities in Uganda in reference to the racist repression in that country which surely has no place in what is properly called a colour-blind commonwealth?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as the House will remember, the Prime Minister of Canada issued a statement at the time. He said that Canada should accept some of the refugees, the Asians who are being expelled from Uganda. In his statement he criticized the government of Uganda and hoped at that time, as I had expressed earlier, that they would change their policy. That is still our hope, but we cannot of course rely upon that and therefore I am sure I have the support of the hon. gentleman in welcoming some Ugandans to Canada.

Mr. Macquarrie: I have a supplementary, Mr. Speaker. I assure the minister he has our support in that. Has the government communicated directly with the government of Uganda on the matter apart from press releases and projected speeches at the United Nations?

Mr. Sharp: Mr. Speaker, I should point out to the hon. gentleman that if we hope to get the co-operation of the Ugandan government in the issuance of exit visas and otherwise helping in the transfer to Canada of those people who are being expelled, it would be well not to exacerbate relations between our two governments.

ADMITTANCE TO CANADA OF ASIANS EXPELLED FROM UGANDA—STEPS TO AVOID CONCENTRATION IN ONE AREA

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I think my supplementary is more appropriately addressed to the Minister of Manpower and Immigration. If a substantial number of immigrants from Uganda are admitted, will any steps be taken to see that they are not concentrated in any one area of Canada but are spread throughout Canada generally?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, it is to their advantage to know of the attractions in all parts of this great nation and not to congregate in a ghetto-like situation in some part of the country. In this vein we shall try to encourage them to settle in or at least become acquainted with Canada in its entirety through educational films, and so on. But once having admitted these people we do not want to relegate them to a special status and say that they must do this or that. I am confident that they will make very good Canadians once they are here, and the best we can do is give them every assistance and hope—

Mr. Speaker: Order, please. I hesitate to interrupt the minister, but I think I should remind hon. members that we will be coming to the end of the question period shortly. I am anxious to recognize as many members as possible and I seek the co-operation of hon. members in limiting the number of supplementaries and of ministers in limiting the length of their answers. The hon. member for Halifax-East Hants.

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SHIPPING

SUGGESTED COMPLIANCE WITH CANADIAN LAWS BY COMMONWEALTH SHIPS ENGAGED IN CANADIAN COASTAL TRADE

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is for the Prime Minister. I will not ask any supplementaries. I am addressing it to him since the subject matter involves several departments. Will he direct his ministers to ensure that Commonwealth ships engaged in the coastal trade of Canada obey such Canadian laws as wages, income tax, hours of work, unemployment insurance—in short, all other Canadian laws than the Canada Shipping Act which is being enforced against them mercifully?

Right Hon. P. E. Trudeau (Prime Minister): I will take notice of the question, Mr. Speaker.

[Mr. Macquarrie.]

[*Translation*]

SPORTS

CANADA-RUSSIAN HOCKEY TOURNAMENT—EXCLUSION OF CERTAIN PLAYERS—REPRESENTATIONS BY PRIME MINISTER TO HOCKEY CANADA

Mr. René Matte (Champlain): Mr. Speaker, I should like to put a question to—

[*English*]

Mr. Skoberg: A supplementary—

Mr. Speaker: Order, please. The Chair has recognized the hon. member for Champlain.

[*Translation*]

Mr. Matte: Mr. Speaker, I should like to put a question to the Prime Minister.

Could he tell this House what particular representations he has made in order to bring about a change in the decision of Hockey Canada regarding the exclusion of certain stars from the team which will represent Canada against the USSR?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, these representations have been made publicly to everyone's knowledge. I have written letters to the three organizations concerned: Hockey Canada, the Players Association and the National Hockey League, asking them to put Canada's interest above their concerns.

* * *

[*English*]

SHIPPING

INQUIRY AS TO IMPLEMENTATION OF DARLING REPORT RECOMMENDATIONS

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I have a question for the Minister of Transport. In view of foreign flag vessels using foreign crews in our coastal waters, which results in the loss of many jobs for Canadians, can the Minister of Transport now advise the House when he will implement the recommendations of the Darling report on coastal shipping concerning this issue?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, the Darling report has many particular aspects. I am assuming the member is talking about the rejection of what is commonly referred to as the Commonwealth preference. Last week I invited the four Atlantic provincial premiers, who are in the areas most affected by such an action, to give me their views. As soon as they are received, as well as others, we will make some decision on this matter. But it is not, as I mentioned in the House before, an easy matter to resolve. There are many different points of view concerning the matter, particularly the question of the increase in the cost of living especially for people in eastern Canada.

MANPOWER

CANADA MANPOWER OPPORTUNITIES PROGRAM—INQUIRY AS TO ANNOUNCEMENT—CONSULTATION WITH AND INVOLVEMENT OF PROVINCES

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of Manpower and Immigration. Can the minister indicate progress with regard to the announcement of CANMOP, whether he has had co-ordinating meetings with the provinces and whether they will be involved in the over-all program?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Yes, Mr. Speaker. Since the basic concept of the new program is maximum input by the provinces, particularly with regard to the social effects of such a program, there has been continuous dialogue at the official stage. With regard to whether there has been any progress, the short answer is yes.

Mr. Marshall: Mr. Speaker, I have a supplementary for the Minister of Public Works. In view of the fact the CANMOP program will be going on with local initiative projects, would the minister advise whether federal works projects have been deferred even though moneys have been allocated in the estimates, why they are being deferred, and why there is no co-ordination between the minister and the Minister of Manpower and Immigration?

Hon. Jean-Eudes Dubé (Minister of Public Works): No, Mr. Speaker. No decision has been taken at the present time either to defer or advance works programs. Each project is looked at and considered on its own merits.

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AGRICULTURE

SUGGESTED IMMEDIATE BAN ON USE OF DIETHYLSTILBESTROL IN BEEF CATTLE

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Minister of Agriculture but in his absence I shall direct it to his parliamentary secretary. In view of the increasing danger to beef sales in Canada, will the minister place an immediate ban on the use of the controversial hormone DBM rather than wait until January of 1973?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I will bring the representation to the attention of the minister. I believe, however, that in the current situation the interests of our beef producers and the long-term interests in assuring markets for their beef were balanced rather neatly in the date that was determined, but as I say I will bring the matter to the attention of the minister.

• (1140)

Mr. Nesbitt: If the hormone is dangerous enough to be banned in 1973, why not ban it now so far as the public are concerned?

Mr. Speaker: Order, please. The hon. member will appreciate that this is argumentative.

MANPOWER

POSSIBLE EFFECT OF STATE OF UNEMPLOYMENT INSURANCE ACCOUNT ON EXTENSION OF LOCAL INITIATIVES PROGRAM TO PROVIDE EMPLOYMENT DURING WINTER

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I wish to direct a question to the Minister of Manpower and Immigration. In view of the fact there has been a considerable drain, no matter how the accounting of the financial resources of the Unemployment Insurance Commission is done, will the minister assure the House that this will not interfere with intended plans for dealing with unemployment during the winter months, particularly through extension or improvement of the LIP program? Further, is he in a position now to inform the House whether or not the government intends to go ahead with that program?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, I must reiterate that they are separate programs. While unemployment insurance is costing a little more than originally anticipated, this is no embarrassment to the government, and any decision on LIP will be made independent of the unemployment insurance program. We certainly would like to go forward with it on principle. We are ahead on plans by at least a month or two. However, I want to talk to the provinces, and I will probably make a statement on motions next week or the week after.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. There are at least three members seeking the floor to ask supplementaries and that would bring us to the end of the question period. For the time being the Chair will recognize the hon. member for Oshawa-Whitby for one supplementary.

Mr. Broadbent: In view of the fact that winter is not far away, can the minister inform the House whether he has consulted with the provinces, or any number of them, and has he obtained agreement with the provinces on some intended program?

Mr. Mackasey: Mr. Speaker, we have consulted with the provinces, in the sense of reviewing last year's successful experiment, to see what criteria would be suitable for the programs of this coming winter if we go ahead with this type of project.

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HARBOURS

CHURCHILL—INQUIRY AS TO DREDGING PROGRAM

Mr. Robert Simpson (Churchill): Mr. Speaker, I have a question for the Minister of Transport. Can he say whether any recommendation has been transmitted to his department from the National Harbours Board or any other source concerning a very necessary dredging program at the port of Churchill?

Inquiries of the Ministry

Hon. Donald C. Jamieson (Minister of Transport): Yes, Mr. Speaker. Representatives of the National Harbours Board attended a seminar held at Churchill, which the hon. member also may have attended, met subsequently with representatives of the government of Manitoba, and within the last week presented me with a summary of the findings of the seminar, together with certain recommendations which are now being examined to determine their feasibility.

Mr. Simpson: Can the minister say whether at this time plans are being considered for this necessary dredging project?

Mr. Jamieson: Yes, Mr. Speaker. That is one of the matters that was included in the suggestions, and we are trying to determine whether it is practical to do what is suggested.

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AIRPORTS

PICKERING TOWNSHIP SITE—AUTHORITY OF SPECIAL INQUIRY TO MAKE RECOMMENDATIONS—PUBLICATION OF REPORT

Mr. Norman A. Cafik (Ontario): Mr. Speaker, I have a question for the Minister of Transport. In light of his welcome answer yesterday to my question regarding a special inquiry respecting the airport site at Pickering, would the minister indicate to the House whether this board will be given the power to make recommendations to the government and whether its report will be made public?

Hon. Donald C. Jamieson (Minister of Transport): In both cases the answer is yes, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Cafik: I have a supplementary question, Mr. Speaker. Would the minister indicate whether those whose land will be expropriated prior to that hearing taking place will have the option of repurchasing their property in the event that the project does not proceed?

Mr. Speaker: Order, please. That question is obviously hypothetical.

Mr. Cafik: On a point of order, Mr. Speaker, I realize that in technical terms it is a hypothetical question, but it is not a hypothetical problem because many people need to know right now what the government's position is going to be in order to make intelligent decisions on how they will dispose of their property.

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

[Mr. Simpson.]

WELFARE

REIMBURSEMENT OF PROVINCES FOR PAYMENTS UNTIL UNEMPLOYMENT INSURANCE BENEFITS RECEIVED

Mr. A. D. Hales (Wellington): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In view of the fact that thousands of unemployed Canadians have had to wait for their benefits, thereby making it necessary for them to go to welfare offices for subsistence, is it the intention of the government to reimburse the provinces for this added welfare expense?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, the act provides precisely for that. The hon. gentleman, who is very close to this particular matter because of his concern about spending, will be pleased to know that despite higher unemployment in the greater Toronto area the number of people receiving welfare has dropped by at least 4,000 as a result of receiving increased benefits through the Unemployment Insurance Commission.

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MANPOWER

PROVISION OF FURTHER PROGRAM IMMEDIATELY FOLLOWING TERMINATION OF LOCAL INITIATIVES PROGRAM

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration and is supplementary to one asked earlier by the hon. member for Oshawa-Whitby. In light of the fact that the Local Initiatives Program is to terminate on September 30, can the minister assure the participants in that program that there will be no gap between the termination of LIP and any new program he may announce, or the continuation of LIP?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, we are reviewing the programs that were extended this summer, particularly because I share the general principle that the young man has enunciated, but some of the programs have not met the criteria that were set out in June. I would imagine there could be a possibility that 50 per cent of them might be extended for an indefinite period, but that would be based strictly on quality and whether or not they have deviated from their original intent.

Mr. Nystrom: Can the minister give us any indication of when he will be making that decision and making an announcement as to the future of these projects?

Mr. Mackasey: At the earliest opportunity next week on motions, Mr. Speaker.

[*Translation*]

UNEMPLOYMENT INSURANCE

DELAY IN PAYMENT OF BENEFITS—REQUEST THAT INTEREST BE PAID

Mr. Roland Godin (Portneuf): Mr. Speaker, I have a question for the hon. Minister of Manpower and Immigration.

Since many computer errors have compelled Unemployment Insurance Commission officials in Montreal to send their files to Ottawa for analysis purposes, would the minister indicate whether the errors of this faulty system which caused a number of persons to wait up to three months, will entitle them to the payment of interest on their additional benefits?

[*English*]

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, the hon. gentleman has the same right as any other hon. member. If he has specific cases he should bring them to my attention. There was a recent review of complaints from hon. members, but I do not believe there has been one from the hon. member's office for many weeks.

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CANADIAN TRANSPORT COMMISSION

SUGGESTED APPOINTMENT OF WESTERN CANADIAN AS NEW CHAIRMAN

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Transport. Is preference being given to the appointment of a westerner to head the Canadian Transport Commission?

Hon. Donald C. Jamieson (Minister of Transport): The whole matter is under review, Mr. Speaker.

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FISHERIES

OVERFISHING OF GROUNDFISH BY FOREIGN NATIONALS—DISCUSSIONS WITH OTHER COUNTRIES—DATE OF LAW OF THE SEA CONFERENCE

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. In view of the constant monthly decline in the over-all catch of groundfish by Canadian fishermen because of overfishing by foreign nationals on our continental shelf, has the minister held any recent discussions on this thorny problem with his counterparts in the countries concerned? Would he also indicate whether an agenda has been agreed upon and a date set for the United Nations Law of the Sea Conference which has been proposed for 1973?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I think the first part of the question could probably be better answered by the Minister of Fisheries. With respect to the proposed Law of the Sea Conference in 1973, it is still our objective to have one in 1973 and at various international bodies we have been working in this direction. Currently an agenda for this conference is being worked out, partly, and I think even mainly, as a result of initiatives taken by Canada.

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LABOUR RELATIONS

DISPUTE BETWEEN CANADA STEAMSHIP LINES AND UNION—PUBLICATION OF CONCILIATION BOARD REPORT

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to direct a question to the Minister of Labour. When will he be publishing the report of the conciliation board dealing with the dispute between Canada Steamship Lines and the Brotherhood of Railway, Steamship and Airline Clerks, which I understand he received several weeks ago?

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, I think that report was published earlier this week.

Mr. Speaker: Orders of the day. I have to apologize to hon. members. We have run a few minutes beyond the question period. I appreciate that a number of members are still anxious to ask questions, but I would think that in view of the circumstances hon. members would expect the Chair to call orders of the day.

• (1150)

GOVERNMENT ORDERS

WEST COAST PORTS OPERATIONS BILL

MEASURE TO PROVIDE FOR RESUMPTION AND CONTINUATION OF LONGSHORING, GRAIN HANDLING AND RELATED OPERATIONS AT WEST COAST PORTS

The House resumed consideration in committee of Bill C-231, to provide for the resumption and continuation of longshoring and grain handling operations and operations related to longshoring or grain handling at ports on the west coast of Canada—Mr. O'Connell—Mr. Honey in the chair.

On Clause 8—*Termination.*

The Chairman: When the House rose last evening clause 8 of the bill was under consideration with an amendment proposed by the hon. member for Moose Jaw as follows:

That clause 8, Part II, be amended by changing the period at the end thereof to a comma and by adding immediately thereafter the following words:

"provided however that before December 31, 1972, the government shall initiate a study under the Inquiries Act into the possibility of separating grain from general cargo, such grain to be handled by the Canadian Wheat Board."

Is the committee ready for the question on the amendment?

Mr. Horner: Mr. Chairman, before we proceed, I wonder whether you intend to rule whether this amendment is in order. It appears to me to be a substantive amendment which is out of order. I wonder if you have ruled or will rule whether it is in order.

Some hon. Members: He accepted it.

The Chairman: I have discussed this with my colleague who was in the chair at the time, and it is my understanding that the amendment is before the committee. At this particular point, my position is that the committee will have to decide on the amendment.

Mr. Alexander: Mr. Chairman, I should like to put the position of our party before you. Although I am very impressed with the intent of my friend's amendment, and I say this with all due respect, perhaps if there had not been all the excitement which occurred last night the Chair might have seen that this is a substantive amendment. It certainly negates the intent of clause 8. I think we are here primarily to deal with the strike as it exists in the province of British Columbia and to get the men back to work in order that the grain handlers may also pursue their vocation.

I have every sympathy with the hon. member for Moose Jaw who on August 31 at page 3929 of *Hansard* said:

> We recognize the importance of this situation, and this amendment would require that some consideration be given to the setting up of a study to determine a better method of moving grain out of the country.

With the interest that my friend has in this matter, Mr. Chairman, surely after giving this some profound deliberation he must know—

The Chairman: Order, please. I apologize to the hon. member for interrupting him, but the Chair has some difficulty hearing him.

Some hon. Members: Hear, hear!

The Chairman: I appreciate the hon. members have things to discuss, but I would ask that they move behind the curtains so that the committee may proceed.

Mr. Alexander: Mr. Chairman, I am very pleased that you admonished members of the House, but it should be pointed out that the members admonished are to the right of the chair. We are now dealing with their bill but they have no interest in it.

Some hon. Members: Hear, hear!

Mr. Alexander: The only thing they can do is chat and try to figure out when the election will be called.

Mr. Chairman, I shall not pursue this matter any further, except to say that I think this amendment goes far beyond what we are supposed to be dealing with. If this is true, and I believe it is, notwithstanding what occurred last night with respect to the ruling of the Chair, we in this party will not vote for the amendment proposed by the hon. member for Moose Jaw.

Some hon. Members: Question.

[The Chairman.]

Mr. Horner: Mr. Chairman, not having had a ruling from you, I assume that you agree the amendment is in order.

The Chairman: Order, please. With respect I think the hon. member for Crowfoot will agree that when he asked me the question when the committee resumed this morning, I said the amendment was before the committee. At this particular point, I do not think it would be helpful to go back and consider whether the amendment is in order. The fact is that the amendment is before the committee and that is the ruling I made. It is before the committee and that is the fact on which the committee must proceed.

Mr. Horner: Mr. Chairman, I do not like to get involved in points of order or rules, but I think it would facilitate my understanding, and maybe that of the committee, if the Chair would advise whether he is prepared to listen to argument for or against the amendment, whether or not it is in order and whether I may make a speech on unions in general. This is my difficulty. I do not know whether to debate the amendment from the point of view that it is out of order, as I believe it to be. If the Chair is ruling that the amendment is in order, I want to make a speech on unions. I have many thoughts on unions and this would be an appropriate time to put them forward. In this particular instance, the grain handlers and the longshoremen's union were prepared to move grain until the head of the union said "No, grain gets no special treatment—all commodities are stopped". Where is the head of the union? He is in Los Angeles. I believe the international head of the longshoremen's union is in Los Angeles. The party to my left supports these unions and thrives on them, but they do not seem to acknowledge the fact that the head of this union deliberately prohibited the grain handlers in the longshoremen's union from going to work and handling the grain which this legislation is brought before Parliament to direct them to do. I have many more thoughts on unions which I should like to put forward, and if the Chair is not going to make a ruling I am prepared to make a speech on the matter.

I see that the Chair is not prepared to make a ruling and therefore I shall say a few more words with respect to unions and this amendment. The hon. member for Moose Jaw moved this amendment purely and simply for political gain so that he may return to his farmers saying that he was on the side of right and that he moved an amendment.

Mr. Skoberg: On a point of order, Mr. Chairman—

The Chairman: The hon. member for Moose Jaw rises on a point of order.

Mr. Skoberg: Mr. Chairman, I respectfully suggest that we are dealing with an amendment that has nothing to do with organized labour or unions whatsoever. We are not dealing with international or national unions. I believe that when a member stands in this House and says that directions have been given from outside this country with regard to this tie-up, he should be able to produce evidence to support his contention. I do not think it is proper that any member should be put in this position when he moves an amendment that has nothing to do with the topic that the hon. member is discussing at this time.

Some hon. Members: Hear, hear!

The Chairman: Order, please. I think the point that the hon. member raises is really a matter of argument. The hon. member for Crowfoot may argue one way and the hon. member for Moose Jaw may argue another way. The hon. member for Crowfoot.

Some hon. Members: Question.

Mr. Horner: Mr. Chairman, what about the rule of relevancy? What about the rule on the expenditure of money? This amendment could cause the expenditure of money and such an amendment is only supposed to be moved by a member of the Cabinet. In any case, I notice that there is some general opinion that the House is ready to vote on this motion so I will not hold it up for more than about another two minutes.

• (1200)

The hon. member for Moose Jaw suggests that what I said about the head of the international union is false or wrong. If I had known he was such a doubting Thomas, I would have brought some newspaper clippings with me. On August 11, the beginning of the strike, the minister in charge of the Canadian Wheat Board said there was no worry, no strike and the grain handlers in the International Longshoremens Union would continue to work. The grain handlers intended to continue moving grain, but the head of the International Longshoremens Union, whose head office is in Los Angeles, stated quite categorically that he would not allow them to move Canadian grain. Perhaps he wanted more traffic to move through the port of Seattle which is south of Vancouver. Perhaps that is what motivated him. I really do not know.

It is high time that we examined the whole question of unions. This legislation deals with two international unions, one with its head office in Chicago and the other with its head office in Los Angeles. They control the economy of a great part of western Canada. If this amendment is in order, surely the government will accept it, set up the inquiry and decide whether Canada could have its own union which would have a responsibility to the economy of Canada and not to some foreign empire builders who control the unions. I believe that this amendment is out of order, but as Your Honour has ruled it to be in order, I am prepared to vote for it.

Mr. Skoberg: Mr. Chairman, in view of the type of discussion that went on last night and this morning, perhaps I should explain a little more what this amendment is all about. I wish to ask the minister to clarify the actions which the government has taken and also what action the Canadian Grains Council has taken with regard to settling some of these long-term disputes at the ports between management and labour.

It was interesting to listen to the labour spokesman for the official opposition, the hon. member for Hamilton West, dealing with the strike which exists in British Columbia today. Surely, this committee is concerned with the long-term effects of all strike. Surely we can make suggestions and amendments to take care of the long time, situation that exists. All this amendment does is set a deadline as to when this government should take action or initiate an inquiry. This type of action should be supported by every member of this House in order to clarify some of the problems that exist.

I wish to refer to three areas where the longshoremen have come up with separate agreements and separate contracts to look after situations on the west coast. I refer to the Burlington Northern, the National Harbours Board and Roberts Bank. They are working in Roberts Bank today. If grain were taken out of the general cargo classification, there is no question but that grain would be moving through that terminal.

There are many areas of dispute about which management, particularly the elevator operators at the port of Vancouver, have no concern. If the hon. member for Crowfoot is going to make an accusation about who wanted to unload the cargo, I suggest that he do a little more homework. The people from the hiring and despatch hall are not the ones who say what cargo will be loaded and from where. It is disgraceful for a member of this House to attack unions without looking at the entire picture.

A grain group was set up by the minister in charge of the Canadian Wheat Board. Surely, this group should have looked at the overall problem. It is the responsibility of the Minister of Labour or the minister in charge of the wheat board to tell this House whether they are, in fact, looking at a long-term solution. The minister of Labour is not listening. Maybe I had better wait a minute. Can the minister inform this House whether the whole area of taking grain out of general cargoes, as was the case when other commodities were taken out of master agreements, has been considered in the light of the discussions we had last evening and this morning?

All the amendment does is ask the government to initiate an inquiry. It does not direct how the inquiry should be undertaken. We cannot expect the people engaged in this industry to worry about public sentiment and so on. They have to know where they stand. We cannot be expected to pass legislation which compels people to return to work when there is more than one side to the picture. The press invariably gives attention to the union and not the employer or the government. The government may have an answer as to why an inquiry should not be instituted and why grain should not be taken out of general cargo. I would appreciate some response from the minister. Perhaps the government has already done this. If so, I will withdraw my motion.

I cannot understand why anyone in this House would not support an amendment such as this. I was amazed to hear the hon. member for Crowfoot say today that he cannot support the amendment when last night he said he would support it. It seems strange that we cannot resolve some of the differences that have been in question for years and years with no foreseeable solution.

Some hon. Members: Hear, hear!

Mr. O'Connell: With all respect, Mr. Chairman, I believe that this bill, which is designed to bring about the resumption of operations in the ports on the west coast, is not the place to introduce an amendment concerning the long-term problem of grain handling at those ports. This is to resume operations at those ports.

As the amendment is available for us to discuss, I want to say that I have been giving consideration to, and I have been discussing with many members of the International Longshoremens Union in Vancouver, the whole question of grain handling. I am not in a position to make any commitment that an industrial inquiry or a study under the Inquiries Act, as was proposed, will be undertaken by the government. I can say that there are unsatisfactory conditions with respect to the handling of grain. I am going to give continuing consideration to the question of whether a study or an inquiry would be appropriate. I have held discussions with some of my colleagues on the subject.

The Chairman: Is the committee ready for the question?

Some hon. Members: Question.

The Chairman: The Chair has already read the amendment. Shall I read it now or dispense?

Some hon. Members: Dispense.

• (1210)

The Chairman: The question is on the amendment in the name of the hon. member for Moose Jaw. All those in favour will please rise.

Some hon. Members: Order! Out!

The Chairman: Hon. members know that when the question is put they should not enter the chamber. I trust everyone will observe that rule. We shall proceed with the vote.

Amendment (Mr. Skoberg) negatived: yeas, 16; nays, 81.

Mr. Horner: Before clause 8 carries, I should like to point out that I have put down amendments to clauses 8 and 14 which are substantially the same as my amendment to clause 5 seeking to change the date upon which this measure would expire.

I do not intend to move these amendments to clause 8 or to clause 14, since the amendment to clause 5 was defeated by the committee. However, I cannot allow this clause to pass without cautioning the government once again. The present termination date, December 31, 1972, allows too short a period for the act to become effective, particularly bearing in mind the election which is in the offing and the fact that the date the government has chosen coincides with the festive season. Negotiations which have been in progress since November last year can scarcely be expected to be concluded by January 1, 1973. If they are not, I want the government to remember well that it was cautioned, that it was advised that the date on which this legislation is to expire is premature. The government is certainly expecting too much, and may be in trouble in 1973.

Clause agreed to.

Clause 9 agreed to.

On clause 10—*Grain handling operations to be resumed.*

Mr. Skoberg: The minister might be able to tell us now why grain handling and related operations are covered by the bill before us. I realize he referred briefly to this matter yesterday. But is he aware that difficulties have arisen on the coast because management is refusing to live up to the old agreement, or to follow the agreement procedures? It might shorten discussion of the subject, indeed, there might not be need for any discussion of these items, if the minister would deal with points which are of concern to everyone in this chamber.

Mr. O'Connell: We must bear in mind that there are two disputes affecting the handling of grain. One of them affects more than just the handling of grain; it involves the loading and unloading of general cargo throughout all the ports. However, there is a dispute between the five elevator companies and their employees, some 500 men who belong to the International Union of Brewery, Flour, Cereal, Soft Drink and Distillery Workers of America. They are the grain handlers. This dispute has been the subject of conciliation proceedings. It has been the subject matter before a conciliation board. The collective agreement expired almost ten months ago and the union and the companies have gone through all the required procedures.

As of a few days ago a strike or lockout position exists. The president of the union, Mr. Henry Kanes is here and I have had a number of discussions with him. He has made representations concerning the problems which have been encountered in connection with grain handling. I think the union has taken an extremely responsible position throughout this dispute. He is anxious to get an agreement. The conciliation board has reported to me in a majority report approved by the chairman and the union nominee, the elevator companies dissenting. Since that time, of course, grain handling has been virtually at a standstill because of the longshore dispute. Sixty-five or more longshoremen are required to participate in the handling of grain. The 500 or so grain handlers are the main body of the employees in the grain handling business. Some of them are still working, but many have been laid off as a result of the longshore dispute. Those who are still employed are required to carry out general maintenance and other work in the grain elevators.

The difficulty which might confront us is this: when the legislation before us is passed, and Part I is in force and port operations resume, unless a new agreement is not reached in this other dispute, grain handling operations would once again be shut down if a strike were to be called or a lock-out put into effect. This is the practical dilemma which faces us at present when we are taking the responsibility of asking parliament to order a resumption of operations while negotiations continue with the longshoremen. We have sought to handle this practical dilemma in the following way: we would proclaim Part II with respect to the second dispute only if and when necessary. In the meantime, continuous efforts are being made on an urgent basis to bring these two parties to an agreement. Little separates the two parties. Unlike the longshore dispute where very little serious negotiation has taken place, many months have been spent in very serious discussion in this case, and a conciliation board has been able to bring in a set of recommendations which leave the parties very close together. The distance separating them is, in fact, so slight that one would expect that through addi-

tional mediation efforts the gap could be closed without there being any necessity for us to proclaim Part II. I must point out that those people are in a different situation but potentially in a very serious one from the point of view of parliament.

• (1220)

Mr. Baldwin: I would like to ask the minister a question. It will not be very long and it is one which concerns all western members in particular. I do not suggest that it does not concern everybody else. In light of the fact the Prime Minister indicated that the reason for summoning parliament to pass this bill was particularly directed at the question of the need for Canada to meet her contractual obligations in regard to transportation and shipment of grain, having in mind what the minister has now said and having in mind the contents of the bill, having in mind the minister's knowledge through his department officials of the current state of a great many possible or potential industrial disputes which might affect the subject matter of our debate, and having in mind that very likely we are now at the threshold of an election which may mean that parliament might not be called until next January, is the minister able to give an undertaking that with the passage of this bill there will not be any industrial disputes which will interfere with the transportation and shipment of grain to meet our contractual obligations?

Mr. O'Connell: I do not think I can give any advance commitment of that kind. If that situation arose on the west coast ports, we have taken the precaution of inserting Part II and we would proclaim Part II. If that was the question then that is the answer. Part II may be proclaimed by order in council at any time if this act is passed.

Mr. Stanfield: May I ask the minister whether or not the provisions in the labour code adopted last spring, if proclaimed, would enable the government to deal with any lockout or walkout during the period following the dissolution of the House and prior to the return of the writ?

Mr. O'Connell: Mr. Chairman, the proclamation of the new Part V, if I may call it that, would put the government in a position by order in council to postpone any dispute, the right to a strike having been earned in a period after the dissolution of parliament. But we should be clear that in the case of which we are thinking, that is the problem on the west coast, those strike rights have been acquired prior to dissolution and the government is not in a position to override the provisions of the legislation. The dissolution has to take place and then any seven day running period after which the rights are acquired must expire.

Mr. Stanfield: Is it the intention of the government to proclaim Part V of the labour code?

Mr. O'Connell: Yes, Mr. Chairman, it is the intention to proclaim Part V. There is the question of time. I want to insist—and I am sure you would expect me to do so—that Part V should be launched in a proper way so that the new board may be in a position to operate it. We should not launch it simply to do something in an election period, if indeed one occurs. We should launch it when the new board is selected, and we are well advanced into doing that. But it would surely be a very bad beginning to hasten the proclamation of a bill simply to deal with a contingency that might or might not arise and for the sake of a provision that has never been there before. I expect that the proclamation can take place relatively soon.

Mr. Skoberg: Mr. Chairman, the answer given by the Minister of Labour a while ago still does not solve some of the problems that I can see coming up. I should like to ask him directly whether or not the grain handlers now affected have any contract whatsoever, and can the grain elevator companies do as they desire with the people who are employed by them. In other words, will the minister introduce any provision that the old agreement shall be in effect until the new agreement is signed?

The second question which I should like to put is whether or not the elevator companies at one time accepted the recommendation of the conciliation board report which the union people accepted by a 63 per cent vote, and did those companies then go back on their word and offer five cents less an hour?

Third, I wonder whether or not the elevator companies are holding up to ransom the government of Canada by asking for an increase of half a cent a bushel which would mean about $2 million a year increase in their incomes, and are they using this means of political interference to obtain that half a cent a bushel?

These are the questions to which we want an answer from the minister because we have seen reports going out that the elevator companies were at one time quite prepared to do something, but if they accepted at one time the report of the conciliation board and then went back on their word, we should be informed of this. It is high time that we found out whether or not this is correct.

Mr. O'Connell: With regard to the first question, the existing agreement would be extended for up to four months if and when a proclamation brings the part into force, but prior to the proclamation we are doing nothing here which would extend the existing agreement. If we did that, we would in effect be saying that an emergency exists with respect to grain handlers when in fact it does not exist. It exists in the longshoremen's dispute which has closed down the ports. The grain handlers are not on strike and there is no lockout. They may have grievances. I have been hearing of some of them from the president of the union whom I met several times yesterday, but those grievances do not constitute the emergency with which we are dealing.

The hon. member asked a second question. All I can say on that is that the mediation which we will launch immediately will hopefully close a gap which may exist in wages, in shift premiums and in any other matters, particularly in the health and welfare plans.

As to the third question, I do not want to enter into that as Minister of Labour—that is the role of the mediators. They have to discover whether there is any evidence of the companies pressuring governments. That suggestion was made by the hon. member. I have no evidence of that and it would be sheer speculation on my part to pursue that line any further.

Mr. Skoberg: Mr. Chairman, this matter must be clarified in the House if we are to act responsibly. We hear this government talk about industrial peace. As far as I can see, we do not know whether the old agreement will be in effect until the new agreement is signed. By not proclaiming this section of the bill what we are saying to those people is that they should go on strike, because they will have to go on strike before this government sees any necessity to proclaim Part II of the bill. Through you, Mr. Chairman, I sincerely urge the minister to give some protection to the working people of Canada, as well as to the employers if they need it, so far as lockouts may be concerned.

• (1230)

If we do not give some protection to those people out there we will deliberately frustrate the intent of the labour bill we discussed earlier this year. We talked about the preamble in that bill and what we were going to do for the people, but we know now that they will be working without a contract until the declaration of a strike. Surely, this parliament could include a clause which would ensure that the old agreement will be in effect. Surely, we could do that much if we expect any consideration whatsoever. If we do not do that I feel confident that these people on the west coast will say to hell with this government and any legislation it may pass. This is the type of thing that brings about industrial conflict and confrontation, and that is not what we want in Canada.

What is wrong with a simple amendment introduced by the government that will leave the old agreement in effect? Who are we trying to protect? I cannot understand a situation in which we cannot do anything that will protect all the parties at the same time. I am bothered when it is suggested that this clause will not be proclaimed until something happens. There is the suggestion that this may occur, but I suggest that the Alberta Wheat Pool and the UGG agreed to the amount of money involved in the conciliation board report. They are now backtracking because these companies thought they could get off the hook by letting the government bring in legislation. I do not think this House should be blackmailed into a position along those lines. That is not why we were called back here.

Mr. O'Connell: Mr. Chairman, I do not disagree with the objectives for which the hon. member for Moose Jaw is reaching. I would simply ask him whether he has considered the effect of his proposal on the rights of the parties, particularly the union, to exercise influence on the elevator companies and vice versa by extending the agreement? The whole scheme of the labour code is to allow the parties to come to the point where they may exert their strength on each other. We have taken the precaution but we would not want to remove the right of the union at this time to exert its economic powers, nor would we want to remove it from the companies. We are in agreement in respect of the search for justice, but there is this question involving the immediate removal of those rights.

Mr. Skoberg: Mr. Chairman, I have just one last question. I see I am not getting through to the minister. Perhaps I am not making myself clear. I would be the last one to take away the right of these individuals to exercise their economic power in a democratic society. At the same time, I do not think it is right that we should pass legislation which is there to be used in a so-called crisis, particularly when a so-called crisis can only come about when they do use their economic power to go on strike. At that time the government will proclaim this part of the measure. What I am asking is whether, in fact, the grain elevator companies in Vancouver can do what they want with their employees. Is there anything binding them to a recognition of the rights of the individual workers at that port? If there is not then we are doing a disservice to the workers all across Canada.

Mr. O'Connell: Mr. Chairman, we expect that the distance between these two parties is so slight that, with the results of this conciliation board report now being available and public, and with the additional mediation we are proposing to put into effect at once, we expect the dispute will come to a satisfactory conclusion.

Mr. Lewis: Mr. Chairman, the minister is missing the very important point the hon. member for Moose Jaw is making. He is not asking the minister about settling the dispute. There was a collective agreement between the parties and its termination was last November. The parties negotiated and went through conciliation procedure. By the operation of the law that collective agreement continued in force during that period. The conciliation procedure is now over and the operation of the law is no longer applicable as far as the life of that agreement is concerned. The result is, according to the employees of the union involved, that the employer is saying there is no longer any collective agreement, we are not going to consider any of your grievances and we are going to ignore other provisions of the agreement in respect of seniority and other things.

The vice-president of the local union, the chairman of the committee to whom there has been reference, informed the hon. member for Moose Jaw in a call he received very early this morning that this is what the employers are doing. What the hon. member for Moose Jaw is asking the minister to do is to take some steps to protect the employees. My colleague may want this done by way of amendment to this bill. I hope he does not mind if I say that whether it is done by amendment to the bill or by a declaration here by the minister that the employer ought to observe the collective agreement that was in force until conciliation proceedings were over does not matter. Perhaps he would undertake right now to do this and, instead of saying he will appoint a mediator as soon as possible, he will say a mediator will be appointed just as soon as he has finished his job in this Chamber and that the mediator will be at work tomorrow so as to get an agreement between the parties. It is that kind of thing for which the hon. member for Moose Jaw is asking. Not only the people involved but everybody who is concerned with decent labour-management relations ought to be grateful to the member for Moose Jaw for having raised this point as emphatically as he has. The minister does not answer the problem at all when he talks merely about settling the dispute eventually, and that is the problem he ought to consider.

Mr. Gleave: Mr. Chairman, a few minutes ago the minister made the point that he did not want to interfere with the bargaining process but wanted to leave the parties to the dispute in a position to follow the normal process of bargaining. I suggest that by virtue of the inclusion of this clause, which can be brought in by proclamation, the parties to the dispute are no longer equal. This is what the hon. member for Moose Jaw is trying to get across. He suggests that fact should be considered here. I think the minister should deal with this either by amendment to the bill or by verbally assuring those of us who are being asked to agree to this measure that fairness and equity will be assured to both parties to the dispute, that the one party which will be weaker by virtue of this measure will not have to resort to desperate action. That is the question being raised by the hon. member.

Mr. Horner: Mr. Chairman, the minister talked earlier about the unanimous conciliation board report. Could he enlighten the House and the country on the basic wage increase recommended to the companies? I do not want the dollars and cents, but could he give us the percentage? It seems to me that these agreements come up for renegotiation too often. Will this agreement be for a longer period than usual? The minister indicates it will be for two years. Why cannot that be stretched out a little longer so we will not have confrontations and hold-ups in the grain movement as often? Was there any thought given to this?

Mr. O'Connell: Mr. Chairman, if my memory is correct the majority report of the conciliation board was for 40 cents in each of two years.

Mr. Horner: What percentage is that?

Mr. O'Connell: I would have to guess. It is probably 8 per cent.

Mr. Horner: Is it not 10 per cent?

Mr. O'Connell: The average is probably $5 and 40 cents is 8 per cent. I may not be right on that.

Clause agreed to.

Clause 11 agreed to.

• (1240)

On Clause 12—*Strikes and lockouts prohibited.*

Mr. Alexander: I rise on a point of information, Mr. Chairman. This is a technical objection. I notice a similar clause appeared in Bill C-230 as clause 6. I know the minister does not have that bill before him. It was in reference to the Montreal strike. Clause 6(a) provided that "no employer shall declare or cause a lockout". I notice in this bill the word "employer" is not used. Rather it states that no company shall declare or cause a lockout. I am wondering what the difference is and whether there is any reason for the change in the wording. Further, I notice in subclause (b) of clause 6 in Bill C-230 there is the following reference: "no person who is an officer of a union shall declare or authorize a strike". In the present bill the wording is, "no person who is an officer or representative of a union". I wish some clarification.

Mr. O'Connell: Mr. Chairman, the explanation is that in the Montreal case there was an employer's association but in the case we are looking at the five elevator companies make five separate agreements. They are referred to here as companies because there is no association through which they operate.

Clause agreed to.

On Clause 13—*Company and union to negotiate.*

Mr. O'Connell: Mr. Chairman, for the same reason that prompted the moving of an amendment to clause 7 in Part I, I should like to propose that a parallel amendment be now made in Part II to achieve the same objective of retroactivity unless the parties otherwise agree during their negotiations. Therefore I move:

That Clause 13 of Bill C-231 be amended by adding thereto the following subclause:

Terms and conditions of new collective agreements.

"(2) Notwithstanding section 11, the terms and conditions of any collective agreement entered into in amendment or revision of a collective agreement to which this Part applies shall, unless the parties thereto otherwise agree, have effect on and from December 1, 1971.

The Chairman: The question is on the amendment to clause 13. Shall the amendment carry?

Some hon. Members: Agreed.

Amendment (Mr. O'Connell) agreed to.

Clause as amended agreed to.

Clause 14 agreed to.

On Clause 15—*Mediator.*

Mr. Skoberg: Mr. Chairman, I wonder whether the minister could give us some information when mediators will be appointed and if he has looked into the situation of whether there is available talent which could be brought into this situation at the earliest possible moment.

Mr. O'Connell: Mr. Chairman, we are giving very close attention to that question. I hope to be able to be in a position to move very, very quickly with regard to a mediator.

Mr. Lewis: Mr. Chairman, would the minister undertake a very simple thing. On the basis of information Mr. Kanes has given him, will he undertake to telephone the employers' counsel immediately he has a moment and express his view as well as the view of the committee concerning their failure to observe the spirit of the agreement which has legally expired and their refusal to deal with the union as if the agreement were still in force which is contrary to the spirit of our entire labour relations law. Would he urge them to start again, since they should never have stopped, to deal with the union instead of being technical, legalistic and mean about it. I am sure that if the minister got on the telephone to these employers and expressed that view, and the concern the union now has about the way the employees are being treated,

he could do so in the authority of his office. I believe this would be a worthwhile bill in that event.

Mr. O'Connell: As Minister of Labour, I do not want to accept any or all of the allegations which have been made about the employers and any grievances which may have arisen in their relationships with the men, but it was my intention to contact the employers, as I have been in touch with the head of the union, to suggest to them that in the interest of order, stability and the best interest of Canada at this moment, it would be good for them to observe the spirit and the provisions of the collective agreement.

Some hon. Members: Hear, hear!

Mr. Barnett: During the period in which this discussion has been going on I have had an opportunity to have a look at the former agreement which has been under discussion. Certainly, there is nothing in that agreement as I read it to indicate that it has any continuing force or effect beyond the period of the opening of negotiations. The minister has given us an assurance, but I believe it would be quite useful, and certainly more satisfactory to some of us—and this could be done I would think quite shortly now as I look at the clock—if before we complete our consideration of this legislation the minister could inform members of this House that the employers involved have stated they will give him that assurance. If the minister could announce to the committee that the employers will regard the agreement as being in effect, and will not go into the question of what the minister calls allegations about what may have been going on, then I think the assurance he has just given us would have real significance. We could then perhaps continue the discussion on this bill without having to go away from here wondering whether, in fact, what has been suggested was a necessary prelude to the agreement continuing in force, namely strike action on the part of the union members which might have to take place in order to put the agreement into practical operation again.

Mr. O'Connell: Mr. Chairman, I know we are looking for the same objective, but I do not think I should go that next step and ask for something in writing. It was my intention to be in touch with the employers as soon as this is passed, and I am quite prepared to say I expect that the mediation process will be effective.

• (1250)

Clause agreed to.

Clause 16 agreed to.

Schedule I agreed to.

Schedule II agreed to.

Schedule III agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

Mr. MacEachen: Mr. Speaker, I wonder if we could agree to suspend the sitting and return at the call of the Chair after the other place has completed its discussions.

[Mr. Lewis.]

Mr. Speaker: Hon. members have heard the suggestion made by the President of the Privy Council (Mr. MacEachen) that we rise and return, perhaps after two o'clock or at two o'clock, but I presume it will be some time after two o'clock, at the call of the Chair, is this agreed?

Some hon. Members: Agreed.

SITTING SUSPENDED

At 12:55 p.m. the sitting was suspended.

SITTING RESUMED

The House resumed at 4.45 p.m.

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-231, an act to provide for the resumption and continuation of longshoring and grain handling operations and operations related to longshoring or grain handling at ports on the west coast of Canada, without any amendment.

PROROGATION OF PARLIAMENT

Mr. Speaker: I have the honour to inform the House that I have received the following communication:

Government House, Ottawa
1 September, 1972

Sir,

I have the honour to inform you that the Honourable Emmett M. Hall, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber at 4.45 p.m. today, the 1st day of September, for the purpose of giving Royal Assent to a bill and proroguing the fourth session of the twenty-eighth parliament of Canada.

I have the honour to be,

Sir,

your obedient servant,
André Garneau
Colonel

Administrative Secretary

to the Governor General.

THE ROYAL ASSENT

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber.

In the Senate chamber, the Deputy Governor General was pleased to give, in Her Majesty's name, the royal assent to the following bill:

Bill C-231, an act to provide for the resumption and continuation of longshoring and grain handling operations and operations related to longshoring or grain handling at ports on the west coast of Canada.

PROROGATION OF PARLIAMENT

After which the Deputy Governor General was pleased to close the fourth session of the twenty-eighth parliament of Canada with the following speech:

Honourable Members of the Senate:

Members of the House of Commons:

The fourth session of the twenty-eighth Parliament was opened on February 17, 1972. Since that time you have enacted legislation and approved government actions of great importance to the prosperity and well-being of the Canada of to-day and of the future.

During this session, Canadians were honoured by a visit to Ottawa by the President of the United States and were encouraged by this reaffirmation of our traditional friendship with our closest neighbours.

Canada has continued to develop its relationships with all nations, great and small, in all spheres, economic, social, and political.

At home, our economy has continued to grow and has produced new employment at a rate exceeding that of any industrialized nation. During this session you have had placed before you measures designed to stimulate still further the economic growth of our land.

In this session you have addressed yourselves to the complexities of the Canadian federal democracy and have approved the Federal-Provincial Fiscal Arrangements Act.

You have also continued your work on behalf of the agricultural community. While the government has expanded our international markets for farm products, Parliament has amended the Farm Credit Act and the Canadian Wheat Board Act.

The social environment of Canada has been of much concern to you during this session. You have enacted amendments to the Criminal Law and the Government has announced its intentions to make more modern its policies on the control of the use of drugs. Both the Opportunities for Youth Program and the Local Initiatives Program have been expanded and continued. The Government has also announced a New Horizons for the aged program. As further support for our older citizens, you have enacted a measure to increase the Old Age Security pensions.

During this session you have also approved two measures to improve the benefits provided for veterans and other persons affected by war.

You have been particularly concerned with the problems of industrialization. You have amended the Canada Labour Code as well as the Adult Occupational Training Act.

You have also been called upon to deal expeditiously with two serious industrial disputes and you have enacted measures to protect the national interest in those incidents.

During this session, both Houses of Parliament have permitted their Committees to continue the important task of reviewing government policy and administration.

Many other important initiatives have been approved. In addition, you have had placed before you measures concerning the national anthem, national parks, fair employment practices, income security, mortgage mechanisms, housing, representation election expenses and many other important matters. In the future Parliament must apply itself with great vigour and diligence to these issues and to others as they develop.

Members of the House of Commons:

I thank you for the provision you have made for the public services in the previous and in the current fiscal year.

Honourable Members of the Senate:

Members of the House of Commons:

May Divine Providence continue to bless our country.

This concluded the fourth session of the twenty-eighth parliament.