

Adjournment Debate

either stop it immediately or, if he does not have the courage, then he should set up a commission of inquiry to look into the matter. The whole idea of it really smells. Canadian dairymen are upset. They want the Government to take action. They do not want the Minister of Agriculture sitting on his hands and letting this thing continue on in the way it has been going.

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I take great delight in being able to respond to this particular question of the Hon. Member. I do so because of the nature of the question in the first place. I wish to set the record straight on two particular points.

First, in looking for the perpetrator of the hoax, I can tell the Hon. Member that he is now practising law in Montreal. He is the former Minister of Finance. His name is Marc Lalonde. I say this because the scientific tax credit was brought in under the previous Liberal Government, of which the Hon. Member was a member. So if we are looking for the perpetrator, we now know where to find him.

The Hon. Member opposite suggests that the Minister overruled his departmental officials by approving funds for Dreamstreet Holsteins Incorporated, funds to be used in developing a dairy herd research project in Ontario. There is no question about it. The facts are very clear. Neither the Minister nor any official in the Department of Agriculture recommended or approved any such project. A tax credit for this project was approved under a Revenue Canada program introduced by the previous Liberal Government, namely, the scientific research tax credit. That was a boondoggle of magnificent proportions perpetrated by the former Government.

When we took office, the Minister of Finance (Mr. Wilson) took immediate measures to curtail this program and develop new technical guidelines for tightening up the system of scientific tax credits. The Dreamstreet project met the old program criteria. Since laws cannot be passed retroactively, Revenue Canada ruled that it qualified for tax benefits.

Mr. Foster: It was approved in December of 1985 and you know it.

Mr. Lewis: The Hon. Member for Algoma (Mr. Foster) says that the research project is "phoney". We are used to hearing better language from the Hon. Member. I suppose in his embarrassment with respect to how this program was initiated, he has had to resort to that type of language.

Due to the efforts of the present Minister of Agriculture, the company has indicated a willingness to be flexible with its plans. As a matter of fact, officials from Agriculture Canada attended a meeting on April 17 involving the company, representatives of the Holstein association and the University of Guelph. Progress is being made along these lines to bring this research in line with the over-all research of Agriculture Canada. I might add that Agriculture Canada conducts research to the tune of about \$240 million per year, including more than \$7 million annually for the dairy industry, an

industry which is very important to many parts of the country. I point out that it is especially important to my riding of Simcoe North.

Almost half of dairy research expenditures have been paid for by the Government of Canada. This is why we are looking to expand this research by involving the private sector to a greater extent. We are presently co-operating with the Holstein association, Semex Canada and the Canadian Association of Animal Breeders, which are all heavily involved in this very important dairy research.

● (1810)

PENITENTIARIES—PROJECTED CONSTRUCTION OF PRISON IN MANICOUAGAN CONSTITUENCY

Hon. Bob Kaplan (York Centre): Mr. Speaker, a few days ago I raised the question of whether or not it was proper for the Government of Canada to be building a penitentiary in the Prime Minister's riding. That is the subject I wish to raise this evening.

I have actually raised this subject in the House of Commons twice, and I wish to refer to both times. I raised it once with the Minister of Justice (Mr. Crosbie) and once with the Solicitor General (Mr. Beatty). I asked the Minister of Justice to try to explain why the penitentiary was going ahead while the Nielsen task force had put the question up in the air and the Government had asked the committees to study the various matters that were recommended by the Nielsen task force. I also asked the Solicitor General what was the justification for building that penitentiary at the same time as the committee was being asked in good faith to look at a variety of options, including that of not proceeding with the penitentiary.

I find it disturbing that the Government has the money to build the penitentiary in the Prime Minister's riding at a time when the Parole Service is deteriorating to the point where parole officers themselves have taken the unprecedented step of going public and saying that with the caseload building up the way it is, the public is at risk. They are saying they are not able to provide adequate street supervision for offenders.

The Solicitor General wants us to take him as an enlightened correctional authority. He recognizes that street supervision in a proper case is a lot better than incarceration. Street supervision is more rehabilitative. It gives the offender the opportunity to deal with the shortcomings that caused him to go to prison, whether it is drinking, associating with the wrong people, living in the wrong part of town or not having proper ways of dealing with his own feelings of aggression and hostility. All these problems are dealt with much more effectively under street supervision than behind bars. Of course, there is a residue of offenders from whom street supervision does not provide the public with enough protection who should be behind bars. There is no doubt, however, that the Solicitor General wants Canadians to believe that he thinks effective street supervision is a good alternative. Not only is it more effective from the point of view of rehabilitation, but it is a lot cheaper.