

*Oral Questions***INSURANCE****MUNICIPALITIES' DIFFICULTIES IN OBTAINING LIABILITY COVERAGE**

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Minister of State for Finance. The Minister is aware that because of recent multi-million dollar court judgments, municipalities and school boards across Canada have been unable to obtain liability insurance coverage. Will the Minister consider introducing legislation which will place a limit or a cap on claims of this sort so that municipalities such as her own and my own will be able to obtain liability insurance coverage which they have not had since the first of this year?

● (1140)

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, this is obviously a matter of some concern because there are in the industry some very profound changes under way. We have been working, as you know, since we have been in office, on strengthening the capital requirements and the solvency considerations for insurance companies. This is the best way, in the long run, to ensure that insurance is available under all economic circumstances at a reasonable price.

I have been in touch with the Canadian Association of Municipalities and, indeed, with other organizations which have been facing problems. In the near future we will be announcing some policy developments.

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ENVIRONMENTAL AFFAIRS**ACID RAIN—UNITED STATES SULPHUR DIOXIDE EMISSIONS**

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in the absence of the Prime Minister, my question is directed to the Deputy Prime Minister. It has to do with acid rain. Canadians learned last week that the acid rain envoys were recommending research over action and also a voluntary program which makes the health of Canada's lakes, forests and rivers dependent on the good will of U.S. industries if they want to take any initiative.

My question, very simply, is this. What will be the next step of the Prime Minister in regaining the confidence of Canadians in this matter by ensuring that we do obtain controls on emissions of sulphur dioxide in the United States which produces some 26 million tonnes of SO₂ every year which comes north and destroys our environment?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, when a major committee of this House in 1981 brought down a landmark document on acid rain four or five years ago, the Prime Minister of the day refused to discuss the issue even in the House of Commons, much less in Washington with this counterpart. The President of the United States, for his part, refused to recognize that acid rain was a serious

problem. In fact he attributed acid rain purely to natural phenomena, volcanoes, plants, and even ducks.

Sir, we have, in this report made a lot of progress since then.

The Hon. Member asks where are we going to take the issue from here? The envoys have recommended high level, cabinet level mechanisms. They have ensured that the issue will be on the agenda of the President and the Prime Minister at the summit conferences, not just next March but in future years. In the United States they have committed themselves to \$5 billion in expenditures in the short term application of technology. We intend as a Government to act on all those recommendations, and to rush the recommendations even further.

GOVERNMENT POSITION

Hon. Chas. L. Caccia (Davenport): The Minister of the Environment is ducking the question. Will he admit, Mr. Speaker, that all that has been achieved so far is a one-year delay considering the fact that in 1980 we were at least ahead of this document through the memorandum of intent signed between Canada and the United States five years ago?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, when the memorandum of intent was brought down in August of 1980 not a single thing was done to act on that MOI, not a single thing, including the entire year he was Minister of the Environment.

Some Hon. Members: Hear, hear!

Mr. McMillan: I ask him to tell me, this House, and the Canadian people, during the year he was Minister of the Environment how much money did he get from the Americans for acid rain abatement?

CANADA-UNITED STATES DISCUSSIONS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I have a question for the Minister of the Environment. Without getting into the squabble between the two Members as to who is the greatest boon to the Canadian environment, I would like to ask the Minister whether or not he can say on behalf of the Prime Minister and the Government today that they regard the recommendations of the envoy report as unacceptable? Can he say that the Prime Minister in his meeting with Mr. Reagan this spring will be pushing the President—not just to accept the recommendations of that report, but to go further and accept not the sell-out position of Mr. Davis, but the Canadian position that action is needed now, not five years from now?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, if the Hon. Member is asking me whether the Canadian Government is totally satisfied with the progress that is being made by Canada with the United States on the acid rain question, the answer is clearly no.